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, 1967 TO JUNE 30, 1968

#71

VOLUME I

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada
July 1968

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
LEGISLATIVE COMMISSION

B. MAHLON BROWN	Senate Member
MELVIN D. CLOSE, JR.	Assembly Member
CARL F. DODGE, Chairman	Senate Member
JAMES I. GIBSON	Senate Member
ZELVIN D. LOWMAN	Assembly Member
ARCHIE POZZI, JR.	Senate Member
MARVIN L. WHITE	Assembly Member
JAMES E. WOOD	Assembly Member

* * * * *

RUSSELL W. MC DONALD	Legislative Counsel
ROBERT E. BRUCE	Fiscal Analyst
J.E. SPRINGMEYER	Research Director

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada

July 24, 1968

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, which contains audits completed by this office during the period July 1, 1967 to June 30, 1968, and audit reports submitted by independent accountants during the same period, covering audits of boards and commissions as provided in NRS 218.825.

This annual report consists of two volumes:

Volume I - Page A-1 through A-194
Volume II - Page A-195 through B-114

Audit assignments are 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 recommendations and suggested corrective legislation. All reports are reviewed with department 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 its 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.

Pursuant to NRS 218.770(10), we have assisted many state departments and agencies, at their request, in improving the system of records and accounting.

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,

Robert E. Bruce

Robert E. Bruce
Fiscal Analyst

REB:ss

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STATE OF NEVADA

DEPARTMENT OF ADMINISTRATION

BUDGET DIVISION

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 Administration's Budget Division, Central Data Processing Division and the Board of Examiners funds for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits and related schedules:

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

Department of Administration - Central Data Processing 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 Administration - Budget Division--
Insurance Premium Revolving Fund
Statement of Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 1

Department of Administration - Central Data Processing Division--
Working Capital Fund
Statement of Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 2

Department of Administration - Board of Examiners Emergency Fund--
Statement of Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 3

Department of Administration - Board of Examiners Reserve for
Statutory Contingency Fund--
Statement of Receipts and Expenditures
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 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 receipts and expenditures present fairly the operations of the Budget Division, Central Data Processing Division and Board of Examiners funds 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
August 25, 1967

Norman H. Terrell

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

EXHIBIT A

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
BUDGET 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.
Receipts				
General Fund Appropriation	$106,698.00	$106,698.00	$106,698.00	
Salary Adjustments	3,282.00	3,282.00	3,282.00	
Total Receipts	$109,980.00	$109,980.00	$109,980.00	
Expenditures				
Payroll Costs:				
Salaries	$ 91,341.00	$ 83,377.00	$ 87,375.91	$ 3,998.91
Industrial Insurance	512.00	449.00	484.59	35.59
Retirement	5,292.00	4,641.00	4,724.09	83.09
Personnel Assessment	400.00	350.00	400.00	50.00
Group Insurance	162.00	360.00	171.00	(189.00)
Total	$ 97,707.00	$ 89,177.00	$ 93,155.59	$ 3,978.59
Travel:				
Out-of-State	$ 208.00	$ 208.00	$ 267.60	$ 59.60
In-State	1,195.00	1,195.00	1,107.29	(87.71)
Total	$ 1,403.00	$ 1,403.00	$ 1,374.89	$ (28.11)
Operating:				
Office Supplies	$ 730.00	$ 920.00	$ 676.69	$ (243.31)
Postage & Freight	190.00	190.00	136.38	(53.62)
Telephone	1,700.00	1,560.00	1,800.82	240.82
Printing	3,200.00	3,200.00	2,963.46	(236.54)
Subscrips. & Ref. Manuals	50.00	100.00	201.91	101.91
Dues & Registrations	150.00	50.00	10.00	(40.00)
Ins. & Bond Premiums	--	--	49.53	49.53
Office Eqpt. Repairs	150.00	150.00	383.32	233.32
Total	$ 6,170.00	$ 6,170.00	$ 6,222.11	$ 52.11
Equipment:				
Office Furniture	$ --	$ --	$ 709.14	$ 709.14
Office Equipment	450.00	450.00	1,343.73	893.73
Total	$ 450.00	$ 450.00	$ 2,052.87	$ 1,602.87
Special Projects:				
General Appropriation	$ 4,250.00	$ 12,780.00	$ --	$(12,780.00)
State Liability Insurance Counselor's Fee	--	--	150.00	150.00
Attorney Fees-Highway Blue Ribbon Committee	--	--	5,000.00	5,000.00
Total	$ 4,250.00	$ 12,780.00	$ 5,150.00	$ (7,630.00)
Total Expenditures	$109,980.00	$109,980.00	$107,955.46	$ 2,024.54
Fund Balance June 30, 1966 Reverted to General Fund			$ 2,024.54	

EXHIBIT B

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
CENTRAL DATA PROCESSING 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.
Receipts				
General Fund Appropriation	$17,652.00	$17,652.00	$17,652.00	
Expenditures				
Payroll Costs:				
Salary	$13,500.00	$13,500.00	$12,072.10	$(1,427.90)
Industrial Insurance	82.00	82.00	72.20	(9.80)
Retirement	780.00	780.00	697.47	(82.53)
Group Insurance	60.00	60.00	15.00	(45.00)
Total	$14,422.00	$14,422.00	$12,856.77	$(1,565.23)
Travel:				
Out-of-State	$ --	$ --	$ 368.16	$ 368.16
In-State	600.00	600.00	134.40	(465.60)
Total	$ 600.00	$ 600.00	$ 502.56	$ (97.44)
Operating:				
Office Supplies	$ 300.00	$ 300.00	$ 19.75	$ (280.25)
Postage & Freight	50.00	50.00	--	(50.00)
Telephone	230.00	230.00	--	(230.00)
Subscrips. & Ref. Manuals	50.00	50.00	18.00	(32.00)
Elec. Data Processing Exp.	2,000.00	2,000.00	--	(2,000.00)
Ins. & Bond Premiums	--	--	3.30	3.30
Total	$ 2,630.00	$ 2,630.00	$ 41.05	$(2,588.95)
Equipment:				
Office Furniture	--	--	$ 491.19	$ 491.19
Office Equipment	--	--	44.02	44.02
Total			$ 535.21	$ 535.21
Total Expenditures	$17,652.00	$17,652.00	$13,935.59	$(3,716.41)
Fund Balance June 30, 1966 Transferred to Central Data Processing Division Working Capital Fund			$ 3,716.41	

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
BUDGET DIVISION
INSURANCE PREMIUM REVOLVING FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts	
Insurance Premium Refund	$12,887.18
Expenditures	--
Balance June 30, 1966	$12,887.18

NOTE: In July 1966 the above balance was distributed as follows:

To Various Agencies Receiving Federal Funds	$ 4,012.00
To the General Fund	4,405.18
To the University of Nevada	4,470.00
Total Insurance Premium Refund	$12,887.18

SCHEDULE 2

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
CENTRAL DATA PROCESSING DIVISION
WORKING CAPITAL FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts			
Agency Services			$ 6,082.15
Transfer from Administrative Fund			3,716.41
State Controller's Fund			736.62
Total Receipts			$10,535.18
Expenditures			
Payroll Costs:			
Salaries	$3,137.90		
Industrial Insurance	12.08		
Retirement	128.35		
Total		$3,278.33	
Operating:			
Equipment Rental		307.16	
Total Expenditures			3,585.49
Fund Balance June 30, 1966			
Non-reverting			$ 6,949.69

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
BOARD OF EXAMINERS EMERGENCY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Fund Balance July 1, 1965		$ 15,865.59
Receipts		
General Fund Appropriation	$61,989.00	
Supplemental Appropriation (SB 5 Special Session)	80,546.00	
Total Receipts		142,535.00
Total Funds Available		$158,400.59
Expenditures		
Transfers to other Funds:		
District Judges' Travel	$ 2,400.00	
District Judges' Pension Fund	8,400.00	
Nevada State Prison	50,000.00	
Total Expenditures		60,800.00
Fund Balance June 30, 1966 Non-reverting		$ 97,600.59

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
BOARD OF EXAMINERS RESERVE FOR STATUTORY CONTINGENCY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Fund Balance July 1, 1965		$17,414.65
Receipts		
General Fund Appropriation		780.00
Total Funds Available		$18,194.65
Expenditures		
Attorney Fees	$2,173.00	
Court Reporting Fees	1,275.94	
Search and Escapee Return Expense	40.00	
Extradition Fee - State of Utah	5.00	
Total Expenditures		3,493.94
Fund Balance June 30, 1966		
Non-reverting		$14,700.71

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

Administrative Procedures

All duties delegated to this agency by Nevada Revised Statutes, with the exception of those outlined under "Suggested Legislation" of this report, are being efficiently handled within the limits of personnel provided by legislative appropriation.

It is suggested that documentation of disbursements from the Board of Examiners Emergency Fund and the Statutory Contingency Fund be made a part of a permanent file for future reference.

Suggested Legislation

1. Statements and Financial Reports

Subsection 8 of NRS 353.185 requires that the chief of the budget division is "...to examine and approve all statements and reports on the financial condition and estimated future financial condition and the operations of the agencies in the executive department of state government and the several budget units, before any such reports are released to the governor, to the legislature, or for publication."

With the exception of the revenue producing agencies, the chief does not require strict adherence to the provisions of the statute because "he does not have an adequate staff to handle the examination and approval of all such statements and reports." It is recommended that the statute be amended to conform with present practice.

2. Written Listing of all Claims

Subsection 1(c) of NRS 353.190 requires that the chief, as ex officio clerk of the state board of examiners, shall "Prepare a written statement listing all claims

checked and audited by him prior to the expiration of 30 days from the checking and auditing thereof,....

"He shall submit the statement, together with each individual claim listed therein, to the board."

This function has not been performed since 1963, at which time they were two to three years behind in presenting the list and claims to the board; one fulltime employee was devoting one-half of her time to typing the list of claims. With the volume of claims handled by the pre-audit section, it would be unpracticable to prepare the list and to deliver each individual claim to the board. It is recommended that this subsection of the statute be repealed.

3. Board of Examiners Annual Report

Subsection 5 of NRS 353.263 requires that "The state board of examiners shall annually file a report with the president of the senate and the speaker of the assembly enumerating the expenditures authorized by the state board of examiners under the provisions of this section."

The board of examiners file a biennial report which is submitted as part of the executive budget. It is recommended that the statute be amended to allow present practice.

Carson City, Nevada
August 25, 1967

Norman H. Terrell, C.P.A.
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

August 29, 1967

AUG 31 1967

MEMORANDUM

TO: Norman Terrell - Fiscal Analyst

FROM: Howard E. Barrett

I have reviewed your audit of the Department of Administration, Budget Division, Central Data Processing Division, the Board of Examiners Emergency Fund, and the Statutory Contingency Fund, and completely concur in the suggestions you have made for legislative changes.

HEB:ym

STATE OF NEVADA

DEPARTMENT OF MOTOR VEHICLES

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1966

LEGISLATIVE COUNSEL BUREAU
ROBERT E. BRUCE, ACTING 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 Motor Vehicles for the fiscal year ended June 30, 1966 and have prepared therefrom the following exhibits and related schedules:

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

Department of Motor Vehicles-Combined Divisions--
Administrative Fund
Statement of Basis for Authorization
Compared to Actual Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Exhibit B

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

Department of Motor Vehicles-Automation Division--
Administrative Fund
Statement of Basis for Authorization
Compared to Actual Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Exhibit D

Department of Motor Vehicles-Drivers License Division--
Administrative Fund
Statement of Basis for Authorization
Compared to Actual Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Exhibit E

Department of Motor Vehicles-Fiscal and Accounting Division--
Administrative Fund
Statement of Basis for Authorization
Compared to Actual Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Exhibit F

Department of Motor Vehicles-Highway Patrol Division--
Administrative Fund
Statement of Basis for Authorization
Compared to Actual Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Exhibit G

Department of Motor Vehicles-Motor Carrier Division--
Administrative Fund
Statement of Basis for Authorization
Compared to Actual Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Exhibit H

Department of Motor Vehicles-Registration Division--
Administrative Fund
Statement of Basis for Authorization
Compared to Actual Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Exhibit I

Department of Motor Vehicles-Private Detective Fund--
Statement of Basis for Authorization
Compared to Actual Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Exhibit J

Department of Motor Vehicles-Moving Expense Fund--
Schedule of Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 1

Department of Motor Vehicles-License Plate Fund--
Schedule of Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 2

Department of Motor Vehicles-Traffic Safety Fund--
Schedule of Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 3

Department of Motor Vehicles-Revolving Fund & Cash on Hand--
Schedule of Receipts and Disbursements
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 4

Department of Motor Vehicles-Boat Licensing Fund--
Schedule of Receipts and Expenditures
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 5

Department of Motor Vehicles-Safety Responsibility Trust Fund--
Schedule of Receipts and Disbursements
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 6

Department of Motor Vehicles-Motor Carrier Security Bond Trust--
Schedule of Receipts and Disbursements
for the Fiscal Year Ended June 30, 1966 ---------- Schedule 7

Department of Motor Vehicles-Deposit and Interbranch Deposit Accounts--
Schedule of Receipts and Disbursements
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 of the combined funds of the Department of Motor Vehicles 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 condition of the various funds of the Department of Motor Vehicles 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
October 23, 1967

Robert E. Bruce

Robert E. Bruce, C.P.A.
Acting Fiscal Analyst

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
COMBINED STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1966

ASSETS

Cash on Hand and on Deposit			
Cash on Hand-Change Funds		$ 2,400.00	
Cash in Banks-			
Interbranch Deposit Account	$ 8,875.85		
Revolving Fund	2,544.42		
Highway Patrol-Ely	128.00	11,548.27	
Cash on Deposit in State Treasury-			
Motor Vehicle Deposit Account	$812,352.68		
License Plate Fund	29,374.41		
Private Detective Fund	14,321.68		
Moving Expense Fund	3,518.21		
Boat Licensing Fund	2,701.75		
Traffic Safety Fund	100.00		
Motor Carrier Security Bond Trust	212,562.15		
Safety Responsibility Trust	424.00		
Administrative Fund	84,179.64	1,159,534.52	
Total Cash on Hand and on Deposit			$1,173,482.79
Returned Checks on Hand			6,148.05
Other Assets			
Securities held in Trust (Pledged for Fuel Tax Collections)			4,450.00
Fixed Assets			
Furniture and Fixtures		$ 1.00	
Automobiles		1.00	
Land and Buildings		1.00	
Total Fixed Assets			3.00
Total Assets			$1,184,083.84

LIABILITIES AND FUND EQUITY

Liabilities		
Payable to Highway Fund	$ 586,086.34	
Payable to County Assessors	190,405.54	
Payable to Private Detective Fund	14,321.68	
Payable to Dept. of Conservation & Natural Resources	2,701.75	
Trust Accounts	217,436.15	
Undistributed Revenue	135,192.34	
Total Liabilities		$1,146,143.80

Fund Equity		
Reserved for Specific Authorizations	$ 32,992.62	
Unappropriated Surplus (Revolving & Change Fund)	4,944.42	
Fixed Assets	3.00	
Total Fund Equity		$ 37,940.04
Total Liabilities and Fund Equity		$1,184,083.84

NOTE:

On December 12, 1967, we found that an error of $1,500.00 had been made in accounting for insurance recovery proceeds. This correction is reflected in this adjusted audit report.

EXHIBIT B

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
COMBINED DIVISIONS
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Receipts			
Appropriation from Highway Fund	$2,564,642.00	$2,564,642.00	$ --
Salary Augmentation-Highway Fund	121,497.00	121,497.00	--
Sale of Automobiles	--	4,284.07	4,284.07
Recovery on Auto Insurance	--	1,621.78	1,621.78
Auto Insurance Rebate	--	1,388.00	1,388.00
NIC Rebate	--	1,373.85	1,373.85
Refunds on Overpayments	--	1,121.25	1,121.25
Miscellaneous	--	964.94	964.94
Total Receipts	$2,686,139.00	$2,696,892.89	$ 10,753.89
Expenditures			
Payroll Costs:			
Salaries	$1,696,957.00	$1,643.602.55	$(53,354.45)
Industrial Insurance	9,503.00	9,570.08	67.08
Retirement	98,563.00	93,111.65	(5,451.35)
Personnel Assessment	13,475.00	13,575.00	100.00
Group Insurance	9,846.00	5,193.00	(4,653.00)
Total	$1,828,344.00	$1,765,052.28	$(63,291.72)
Travel:			
Out-of-State	$ 16,633.00	$ 15,537.42	$ (1,095.58)
In-State	139,288.00	132,544.41	(6,743.59)
Total	$ 155,921.00	$ 148,081.83	$ (7,839.17)
Operating:			
Office Supplies	$ 13,260.00	$ 16,953.05	$ 3,693.05
Postage and Freight	43,310.00	37,976.51	(5,333.49)
Telephone-Rental	14,267.00	15,952.54	1,685.54
Telephone-Tolls & Telegraph	4,880.00	6,765.89	1,885.89
Printing-Annual Reports	750.00	--	(750.00)
Printing-Operational	58,503.00	50,452.46	(8,050.54)
Subscriptions & Ref. Manuals	1,618.00	2,239.82	621.82
Dues and Registrations	1,635.00	1,700.59	65.59
Bond and Insurance Premiums	15,758.00	13,680.04	(2,077.96)
Contract Services	300.00	282.00	(18.00)
Attorney General Services	8,350.00	11,580.24	3,230.24
Office Equipment Repair	4,592.00	4,087.46	(504.54)
Equipment Repair-Other	2,000.00	242.73	(1,757.27)
Equipment Rental	23,697.00	19,594.10	(4,102.90)
Building Space Rental	61,760.00	59,972.16	(1,787.84)
Heat	1,959.00	535.51	(1,423.49)
Power	12,797.00	11,017.42	(1,779.58)
Water	661.00	674.99	13.99
Other Utilities	1,200.00	1,165.46	(34.54)
Janitorial Supplies	2,770.00	2,223.94	(546.06)

EXHIBIT B (CONT.)

	Basis For Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Expenditures (Cont.)			
Operating (Cont.):			
Building Maintenance	$ 14,300.00	$ 23,598.49	$ 9,298.49
Grounds Maintenance	500.00	383.71	(116.29)
Truck Operation	1,850.00	3,853.55	2,003.55
Airplane Operation	2,800.00	641.27	(2,158.73)
Uniform Allowance	19,240.00	21,799.54	2,559.54
Improvements and Betterments	--	2,854.50	2,854.50
Advertising	100.00	--	(100.00)
Special Reports	4,250.00	2,742.00	(1,508.00)
Licenses and Fees	1,000.00	32.12	(967.88)
Radio Maintenance Supplies	15,000.00	9,435.16	(5,564.84)
Microprint & Microfilm Expense	2,936.00	6,818.56	3,882.56
Prisoners' Stipends	1,588.00	518.58	(1,069.42)
Photographs, Prints & Maps	2,700.00	3,408.13	708.13
Laboratory or Technical Supplies	4,775.00		
Patrol Expenses	--	2,880.52	
First Aid Supplies	--	1,303.79	
Ammunition	--	1,413.95	823.26
Special Services-Training	2,500.00	1,496.04	(1,003.96)
Raw Material Purchases	46,390.00	45,019.55	(1,370.45)
Raw Material Processing Supplies	7,396.00	6,641.49	(754.51)
Public Information	2,265.00	927.48	(1,337.52)
Appeals, Hearings & Court Costs	--	13.92	13.92
Miscellaneous	--	28.00	28.00
Total	$ 403,657.00	$ 392,907.26	$(10,749.74)
Equipment:			
Automobiles	$ 105,235.00	$ 108,401.04	$ 3,166.04
Office Furniture	4,446.00	34,493.00	30,047.00
Office Equipment	25,193.00	10,424.63	(14,768.37)
Other Furniture & Equipment	65,407.00	58,481.70	(6,925.30)
Total	$ 200,281.00	$ 211,800.37	$ 11,519.37
E.D.P. Rental	$ 66,636.00	$ 71,892.81	$ 5,256.81
Cards and Forms	$ 22,800.00	$ 22,978.70	$ 178.70
Revolving Files	$ 8,500.00	$ --	$ (8,500.00)
Total Expenditures	$2,686,139.00	$2,612,713.25	$(73,425.75)
Excess of Receipts over Expenditures Reverted to Highway Fund		$ 84,179.64	

EXHIBIT C

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
ADMINISTRATION DIVISION
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Receipts			
Appropriation from Highway Fund	$217,687.00	$217,687.00	$ --
Salary Augmentation-Highway Fund	9,421.00	9,421.00	--
NIC Rebate	--	48.80	48.80
Auto Insurance Rebate	--	16.72	16.72
Miscellaneous	--	118.47	118.47
Total Receipts	$227,108.00	$227,291.99	$ 183.99
Expenditures			
Payroll Costs:			
Salaries	$ 96,998.00	$100,586.40	$ 3,588.40
Industrial Insurance	544.00	558.12	14.12
Retirement	5,623.00	5,834.34	211.34
Personnel Assessment	500.00	725.00	225.00
Group Insurance	432.00	297.00	(135.00)
Total	$104,097.00	$108,000.86	$ 3,903.86
Travel:			
Out-of-State	$ 1,200.00	$ 1,287.87	$ 87.87
In-State	3,000.00	3,005.94	5.94
Total	$ 4,200.00	$ 4,293.81	$ 93.81
Operating:			
Office Supplies	$ 850.00	$ 1,194.97	$ 344.97
Postage and Freight	660.00	581.69	(78.31)
Telephone-Rental	2,100.00	1,678.51	(421.49)
Telephone-Tolls & Telegraph	1,000.00	1,631.47	631.47
Printing-Annual Report	750.00	--	(750.00)
Printing-Operational	6,300.00	4,188.79	(2,111.21)
Subscriptions & Ref. Manuals	550.00	513.51	(36.49)
Dues and Registrations	1,000.00	847.59	(152.41)
Bond & Insurance Premiums	45.00	120.30	75.30
Attorney General Services	8,350.00	11,580.24	3,230.24
Office Equipment Repair	1,000.00	269.85	(730.15)
Equipment Rental	100.00	29.75	(70.25)
Building Rental	60,000.00	58,185.91	(1,814.09)
Heat	1,000.00	200.62	(799.38)
Power	7,800.00	6,865.53	(934.47)
Water	460.00	422.20	(37.80)
Other Utilities	1,200.00	1,158.46	(41.54)
Janitorial Supplies	2,500.00	2,073.16	(426.84)
Building Maintenance	14,100.00	22,590.92	8,490.92
Grounds Maintenance	500.00	360.32	(139.68)
Improvements & Betterments	--	957.50	957.50

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Expenditures (Cont.)			
Operating (Cont.):			
Special Reports	$ 250.00	$ --	$ (250.00)
Microprint & Microfilm Expense	--	468.90	468.90
Public Information	1,265.00	712.84	(552.16)
Photographs, Prints & Maps	500.00	19.79	(480.21)
Total	$112,280.00	$116,652.82	$ 4,372.82
Equipment:			
Office Furniture	$ 1,702.00	$ 14,710.11	$13,008.11
Office Equipment	700.00	2,094.93	1,394.93
Other Equipment	4,129.00	1,582.18	(2,546.82)
Total	$ 6,531.00	$ 18,387.22	$11,856.22
Total Expenditures	$227,108.00	$247,334.71	$20,226.71
Excess of Expenditures over Receipts Charged to Highway Fund		$(20,042.72)	

EXHIBIT D

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
AUTOMATION DIVISION
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Receipts			
Appropriation from Highway Fund	$232,012.00	$232,012.00	$ --
Salary Augmentation-Highway Fund	4,423.00	4,423.00	--
NIC Rebate	--	112.55	112.55
Miscellaneous	--	20.00	20.00
Total Receipts	$236,435.00	$236,567.55	$ 132.55
Expenditures			
Payroll Costs:			
Salaries	$126,213.00	$122,564.41	$(3,648.59)
Industrial Insurance	706.00	606.85	(99.15)
Retirement	7,340.00	7,081.40	(258.60)
Personnel Assessment	1,150.00	1,200.00	50.00
Group Insurance	828.00	276.00	(552.00)
Total	$136,237.00	$131,728.66	$(4,508.34)
Travel:			
Out-of-State	$ 295.00	$ 1,591.09	$ 1,296.09
In-State	500.00	852.74	352.74
Total	$ 795.00	$ 2,443.83	$ 1,648.83
Operating:			
Office Supplies	$ 2,860.00	$ 1,987.98	$ (872.02)
Postage and Freight	1,375.00	412.93	(962.07)
Telephone-Rental	772.00	1,047.05	275.05
Telephone-Tolls & Telegraph	200.00	214.40	14.40
Printing-Operational	2,000.00	156.63	(1,843.37)
Subscriptions & Ref. Manuals	180.00	496.37	316.37
Dues and Registrations	30.00	5.00	(25.00)
Bond and Insurance Premiums	50.00	201.97	151.97
Office Equipment Repair	275.00	725.10	450.10
Equipment Rental	100.00	9.00	(91.00)
Advertising	100.00	--	(100.00)
Microprint & Microfilm Expense	500.00	375.66	(124.34)
Building Maintenance	--	932.20	932.20
Miscellaneous	--	28.00	28.00
Total	$ 8,442.00	$ 6,592.29	$(1,849.71)
Equipment:			
Office Furniture	$ 440.00	$ 1,436.53	$ 996.53
Office Equipment	175.00	84.98	(90.02)
Other Equipment	910.00	87.50	(822.50)
Total	$ 1,525.00	$ 1,609.01	$ 84.01
E.D.P. Expense	$ 66,636.00	$ 71,892.81	$ 5,256.81
Cards and Forms	$ 22,800.00	$ 22,978.70	$ 178.70
Total Expenditures	$236,435.00	$237,245.30	$ 810.30
Excess of Expenditures over Receipts Charged to Highway Fund		$ (677.75)	

EXHIBIT E

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
DRIVERS LICENSE DIVISION
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Receipts			
Appropriation from Highway Fund	$369,363.00	$369,363.00	$ --
Salary Augmentation-Highway Fund	9,375.00	9,375.00	--
Sale of Automobiles	--	342.00	342.00
NIC Rebate	--	296.80	296.80
Auto Insurance Rebate	--	83.60	83.60
Miscellaneous	--	20.00	20.00
Total Receipts	$378,738.00	$379,480.40	$ 742.40
Expenditures			
Payroll Costs:			
Salaries	$296,886.00	$270,184.93	$(26,701.07)
Industrial Insurance	1,662.00	1,587.13	(74.87)
Retirement	17,277.00	15,666.67	(1,610.33)
Personnel Assessment	2,775.00	2,575.00	(200.00)
Group Insurance	1,998.00	786.00	(1,212.00)
Total	$320,598.00	$290,799.73	$(29,798.27)
Travel:			
Out-of-State	$ 546.00	$ 620.47	$ 74.47
In-State	12,000.00	10,143.04	(1,856.96)
Total	$ 12,546.00	$ 10,763.51	$ (1,782.49)
Operating:			
Office Supplies	$ 2,000.00	$ 1,751.98	$ (248.02)
Postage and Freight	8,500.00	6,910.61	(1,589.39)
Telephone-Rental	1,800.00	2,025.40	225.40
Telephone-Tolls and Telegraph	250.00	314.01	64.01
Printing-Operational	13,000.00	14,195.95	1,195.95
Subscriptions & Ref. Manuals	125.00	127.77	2.77
Dues and Registrations	100.00	75.00	(25.00)
Bond and Insurance Premiums	1,000.00	869.81	(130.19)
Office Equipment Repair	1,000.00	1,147.45	147.45
Equipment Rental	150.00	133.77	(16.23)
Building Space Rental	1,400.00	1,336.25	(63.75)
Heat	500.00	--	(500.00)
Power	--	1.00	1.00
Other Utilities	--	.50	.50
Janitorial Supplies	--	23.47	23.47
Building Maintenance	--	.22	.22
Uniform Allowance	5,040.00	4,625.18	(414.82)
Microprint & Microfilm Expense	300.00	2,434.68	2,134.68
Prisoners' Stipends	180.00	--	(180.00)
Patrol Expenses	--	1.92	1.92
Total	$ 35,345.00	$ 35,974.97	$ 629.97

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Expenditures (Cont.)			
Equipment:			
Office Furniture	$ 400.00	$ 277.14	$ (122.86)
Office Equipment	1,349.00	4,159.40	2,810.40
Other Equipment	--	87.50	87.50
Total	$ 1,749.00	$ 4,524.04	$ 2,775.04
Revolving File	$ 8,500.00	$ --	$ (8,500.00)
Total Expenditures	$378,738.00	$342,062.25	$(36,675.75)
Excess of Receipts over Expenditures Reverted to Highway Fund		$ 37,418.15	

EXHIBIT F

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
FISCAL AND ACCOUNTING DIVISION
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Receipts			
Appropriation from Highway Fund	$67,774.00	$67,774.00	$ --
Salary Augmentation-Highway Fund	3,500.00	3,500.00	--
NIC Rebate	--	57.75	57.75
Miscellaneous	--	5.15	5.15
Total Receipts	$71,274.00	$71,336.90	$ 62.90
Expenditures			
Payroll Costs:			
Salaries	$58,056.00	$49,759.60	$ (8,296.40)
Industrial Insurance	325.00	262.10	(62.90)
Retirement	3,373.00	2,828.97	(544.03)
Personnel Assessment	475.00	400.00	(75.00)
Group Insurance	342.00	228.00	(114.00)
Total	$62,571.00	$53,478.67	$ (9,092.33)
Travel:			
In-State	$ 788.00	$ 235.60	$ (552.40)
Operating:			
Office Supplies	$ 1,200.00	$ 1,300.12	$ 100.12
Postage and Freight	600.00	312.57	(287.43)
Telephone-Rental	800.00	661.44	(138.56)
Telephone-Tolls & Telegraph	250.00	143.25	(106.75)
Printing-Operational	1,500.00	1,137.78	(362.22)
Subscriptions & Ref. Manuals	110.00	117.54	7.54
Bond & Insurance Premiums	60.00	69.95	9.95
Office Equipment Repair	330.00	307.06	(22.94)
Equipment Rental	400.00	8.75	(391.25)
Microprint & Microfilm Expense	600.00	344.91	(255.09)
Total	$ 5,850.00	$ 4,403.37	$ (1,446.63)
Equipment:			
Office Furniture	$ 165.00	$ 195.67	$ 30.67
Office Equipment	1,900.00	1,551.47	(348.53)
Other Equipment	--	153.60	153.60
Total	$ 2,065.00	$ 1,900.74	$ (164.26)
Total Expenditures	$71,274.00	$60,018.38	$(11,255.62)
Excess of Receipts over Expenditures Reverted to Highway Fund		$11,318.52	

EXHIBIT G

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
HIGHWAY PATROL DIVISION
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Receipts			
Appropriation from Highway Fund	$862,409.00	$862,409.00	$ --
Salary Augmentation-Highway Fund	58,011.00	58,011.00	--
Sale of Automobiles	--	3,114.98	3,114.98
Recovery on Auto Insurance	--	1,402.28	1,402.28
Auto Insurance Rebate	--	1,070.32	1,070.32
NIC Rebate	--	267.52	267.52
Miscellaneous	--	498.09	498.09
Total Receipts	$920,420.00	$926,773.19	$ 6,353.19
Expenditures			
Payroll Costs:			
Salaries	$530,323.00	$528,273.57	$ (2,049.43)
Industrial Insurance	2,970.00	3,444.66	474.66
Retirement	30,750.00	30,553.45	(196.55)
Personnel Assessment	3,550.00	3,550.00	--
Group Insurance	2,556.00	1,599.00	(957.00)
Total	$570,149.00	$567,420.68	$ (2,728.32)
Travel:			
Out-of-State	$ 1,000.00	$ 1,127.75	$ 127.75
In-State	100,000.00	93,729.08	(6,270.92)
Total	$101,000.00	$ 94,856.83	$ (6,143.17)
Operating:			
Office Supplies	$ 2,000.00	$ 2,051.73	$ 51.73
Postage and Freight	1,000.00	925.13	(74.87)
Telephone-Rental	3,200.00	3,693.58	493.58
Telephone-Tolls & Telegraph	2,200.00	2,641.85	441.85
Printing-Operational	6,000.00	3,074.11	(2,925.89)
Subscriptions & Ref. Manuals	300.00	466.27	166.27
Dues and Registrations	400.00	688.00	288.00
Bond and Insurance Premiums	12,000.00	10,211.25	(1,788.75)
Office Equipment Repair	250.00	204.54	(45.46)
Equipment Repair-Other	--	57.77	57.77
Equipment Rental	20,617.00	18,742.88	(1,874.12)
Building Space Rental	360.00	450.00	90.00
Heat	175.00	59.19	(115.81)
Power	2,287.00	2,315.25	28.25
Water	76.00	183.80	107.80
Other Utilities	--	6.50	6.50
Janitorial Supplies	--	.19	.19
Building Maintenance	--	31.75	31.75
Truck Operation	1,000.00	2,975.01	1,975.01
Airplane Operation	2,800.00	641.27	(2,158.73)
Uniform Allowance	10,500.00	13,800.51	3,300.51

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Expenditures (Cont.)			
Operating (Cont.):			
Special Reports	$ 4,000.00	$ 2,742.00	$ (1,258.00)
Licenses and Fees	1,000.00	--	(1,000.00)
Radio Maintenance Supplies	15,000.00	9,435.16	(5,564.84)
Microprint and Microfilm Expense	936.00	1,763.61	827.61
Photographs, Prints and Maps	2,200.00	3,323.62	1,123.62
Laboratory or Technical Supplies	4,700.00	--	
Patrol Expenses	--	2,629.84	
First Aid Supplies	--	1,039.60	
Ammunition	--	1,334.45	303.89
Special Services-Training	2,500.00	1,475.04	(1,024.96)
Raw Material Purchases	--	6.40	6.40
Public Information	1,000.00	213.39	(786.61)
Appeals, Hearings & Court Costs	--	13.92	13.92
Total	$ 96,501.00	$ 87,197.61	$ (9,303.39)
Equipment:			
Automobiles	$ 97,235.00	$ 99,318.13	$ 2,083.13
Office Furniture	218.00	--	(218.00)
Office Equipment	949.00	--	(949.00)
Other Equipment	54,368.00	50,745.70	(3,622.30)
Total	$152,770.00	$150,063.83	$ (2,706.17)
Total Expenditures	$920,420.00	$899,538.95	$(20,881.05)
Excess of Receipts over Expenditures Reverted to Highway Fund		$ 27,234.24	

EXHIBIT H

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
MOTOR CARRIER DIVISION
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Receipts			
Appropriation from Highway Fund	$386,091.00	$386,091.00	$ --
Salary Augmentation-Highway Fund	23,747.00	23,747.00	--
Sale of Automobiles	--	827.09	827.09
Recovery on Auto Insurance	--	219.50	219.50
Auto Insurance Rebate	--	200.64	200.64
NIC Rebate	--	317.74	317.74
Miscellaneous	--	145.41	145.41
Total Receipts	$409,838.00	$411,548.38	$ 1,710.38
Expenditures			
Payroll Costs:			
Salaries	$310,379.00	$298,688.57	$(11,690.43)
Industrial Insurance	1,738.00	1,572.53	(165.47)
Retirement	18,013.00	17,216.52	(796.48)
Personnel Assessment	2,300.00	2,400.00	100.00
Group Insurance	1,728.00	1,086.00	(642.00)
Total	$334,158.00	$320,963.62	$(13,194.38)
Travel:			
Out-of-State	$ 13,000.00	$ 10,236.16	$ (2,763.84)
In-State	15,000.00	18,108.95	3,108.95
Total	$ 28,000.00	$ 28,345.11	$ 345.11
Operating:			
Office Supplies	$ 1,600.00	$ 1,835.44	$ 235.44
Postage and Freight	3,975.00	5,380.55	1,405.55
Telephone-Rental	2,500.00	2,800.38	300.38
Telephone-Tolls & Telegraph	480.00	937.60	457.60
Printing-Operational	9,703.00	8,036.60	(1,666.40)
Subscriptions & Ref. Manuals	100.00	161.87	61.87
Dues and Registrations	75.00	40.00	(35.00)
Bond and Insurance Premiums	2,000.00	1,741.44	(258.56)
Office Equipment Repair	353.00	176.00	(177.00)
Equipment Repair-Other	--	67.83	67.83
Equipment Rental	1,100.00	4.75	(1,095.25)
Heat	284.00	275.70	(8.30)
Power	2,710.00	1,835.64	(874.36)
Water	125.00	68.99	(56.01)
Janitorial Supplies	270.00	88.20	(181.80)
Building Maintenance	200.00	37.89	(162.11)
Grounds Maintenance	--	23.39	23.39
Truck Operation	--	29.64	29.64
Uniform Allowance	3,500.00	3,117.45	(382.55)
Licenses and Fees	--	7.12	7.12
Microprint & Microfilm Expense	100.00	1,212.38	1,112.38

EXHIBIT H (CONT.)

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Expenditures (Cont.)			
Operating (Cont.):			
Photographs, Prints & Maps	$ --	$ 12.60	$ 12.60
Laboratory or Technical Supplies	75.00	--	
Patrol Expenses	--	244.89	
First Aid Supplies	--	223.54	
Ammunition	--	79.50	472.93
Raw Material Purchases	4,200.00	622.51	(3,577.49)
Public Information	--	1.25	1.25
Total	$ 33,350.00	$ 29,063.15	$ (4,286.85)
Equipment:			
Automobiles	$ 8,000.00	$ 9,082.91	$ 1,082.91
Office Furniture	--	--	--
Office Equipment	330.00	--	(330.00)
Other Equipment	6,000.00	5,515.94	(484.06)
Total	$ 14,330.00	$ 14,598.85	$ 268.85
Total Expenditures	$409,838.00	$392,970.73	$(16,867.27
Excess of Receipts over Expenditures Reverted to Highway Fund		$ 18,577.65	

EXHIBIT I

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
REGISTRATION DIVISION
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Receipts			
Appropriation from Highway Fund	$429,306.00	$429,306.00	$ --
Salary Augmentation-Highway Fund	13,020.00	13,020.00	--
NIC Rebate	--	272.69	272.69
Auto Insurance Rebate	--	16.72	16.72
Refunds on Overpayments	--	1,121.25	1,121.25
Miscellaneous	--	157.82	157.82
Total Receipts	$442,326.00	$443,894.48	$ 1,568.48
Expenditures			
Payroll Costs:			
Salaries	$278,102.00	$273,545.07	$ (4,556.93)
Industrial Insurance	1,558.00	1,538.69	(19.31)
Retirement	16,187.00	13,930.30	(2,256.70)
Personnel Assessment	2,725.00	2,725.00	--
Group Insurance	1,962.00	921.00	(1,041.00)
Total	$300,534.00	$292,660.06	$ (7,873.94)
Travel:			
Out-of-State	$ 592.00	$ 674.08	$ 82.08
In-State	8,000.00	6,469.06	(1,530.94)
Total	$ 8,592.00	$ 7,143.14	$ (1,448.86)
Operating:			
Office Supplies	$ 2,750.00	$ 6,830.83	$ 4,080.83
Postage and Freight	27,200.00	23,453.03	(3,746.97)
Telephone-Rental	3,095.00	4,046.18	951.18
Telephone-Tolls & Telegraph	500.00	883.31	383.31
Printing-Operational	20,000.00	19,662.60	(337.40)
Subscriptions & Ref. Manuals	253.00	356.49	103.49
Dues and Registrations	30.00	45.00	15.00
Bond and Insurance Premiums	603.00	465.32	(137.68)
Contract Services	300.00	282.00	(18.00)
Office Equipment Repair	1,384.00	1,257.46	(126.54)
Equipment Repair-Other	2,000.00	117.13	(1,882.87)
Equipment Rental	1,230.00	665.20	(564.80)
Janitorial Supplies	--	38.92	38.92
Building Maintenance	--	5.51	5.51
Truck Operation	850.00	848.90	(1.10)
Uniform Allowance	200.00	256.40	56.40
Improvements & Betterments	--	1,897.00	1,897.00
Licenses and Fees	--	25.00	25.00
Microprint & Microfilm Expense	500.00	218.42	(281.58)
Prisoners' Stipends	1,408.00	518.58	(889.42)
Photographs, Prints & Maps	--	52.12	52.12
Special Services	--	21.00	21.00

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Expenditures (Cont.)			
Operating (Cont.):			
Patrol Expenses	$ --	$ 3.87	$ 3.87
First Aid Supplies	--	40.65	40.65
Raw Material Purchases	42,190.00	44,390.64	2,200.64
Raw Material Processing Supplies	7,396.00	6,641.49	(754.51)
Total	$111,889.00	$113,023.05	$ 1,134.05
Equipment:			
Office Furniture	$ 1,521.00	$ 17,873.55	$ 16,352.55
Office Equipment	19,790.00	2,533.85	(17,256.15)
Other Equipment	--	309.28	309.28
Total	$ 21,311.00	$ 20,716.68	$ (594.32)
Total Expenditures	$442,326.00	$433,542.93	$ (8,783.07)
Excess of Receipts over Expenditures Reverted to Highway Fund		$ 10,351.55	

EXHIBIT J

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
PRIVATE DETECTIVE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED TO ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Authorization
Receipts			
Authorization Act	$5,013.00	$ --	$ --
Salary Augmentation	134.00	--	--
Fees Collected	--	4,225.00	(922.00)
NIC Refund	--	51.08	51.08
Total Receipts	$5,147.00	$ 4,276.08	$ (870.92)
Expenditures			
Payroll Costs:			
Salaries	$2,532.00	$ 2,109.47	$ (422.53)
Industrial Insurance	75.00	51.30	(23.70)
Retirement	150.00	125.15	(24.85)
Personnel Assessment	25.00	25.00	--
Total	$2,782.00	$ 2,310.92	$ (471.08)
Travel:			
Out-of-State	$ 300.00	$ --	$ (300.00)
In-State	900.00	86.00	(814.00)
Total	$1,200.00	$ 86.00	$(1,114.00)
Operating:			
Office Supplies	$ 65.00	$ --	$ (65.00)
Postage and Freight	25.00	--	(25.00)
Telephone-Tolls and Telegraph	50.00	--	(50.00)
Printing-Operational	300.00	--	(300.00)
Special Reports	625.00	--	(625.00)
Microprint & Microfilm Expense	50.00	--	(50.00)
Photographs, Prints & Maps	50.00	--	(50.00)
Court Costs	--	23.90	23.90
Total	$1,165.00	$ 23.90	$(1,141.10)
Total Expenditures	$5,147.00	$ 2,420.82	$(2,726.18)
Excess of Receipts over Expenditures		$ 1,855.26	
Balance on Hand July 1, 1965		12,466.42	
Balance on Hand June 30, 1966		$14,321.68	

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
MOVING EXPENSE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts		
Authorization Act		$12,000.00
Expenditures		
Payroll Costs:		
Salaries	$ 897.60	
Industrial Insurance	4.94	
Total	$ 902.54	
Operating:		
Postage and Freight	$7,579.25	
Total Expenditures		8,481.79
Balance - June 30, 1966		$ 3,518.21

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
LICENSE PLATE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts		
Authorization Act		$36,000.00
Expenditures		
Out-of-State Travel	$ 352.27	
Other Furniture & Equipment	6,273.32	
Total Expenditures		6,625.59
Balance - June 30, 1966		$29,374.41

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
TRAFFIC SAFETY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Receipts	
Donations	$100.00
Expenditures	--
Balance - June 30, 1966	$100.00

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
REVOLVING FUND & CASH ON HAND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance on Hand July 1, 1965		$4,906.85
Receipts		
Cash Fund Reimbursement from Deposit Account	$116.79	
Bank Charges and Interbranch Deposit Account Adjustments	.76	117.55
Total Funds Available		$5,024.40
Disbursements		
Cash Fund Shortages (Net)		79.98
Balance on Hand June 30, 1966		$4,944.42

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
BOAT LICENSING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance - July 1, 1965	$1,818.00
Receipts	
Licensing Fees	883.75
Total Funds Available	$2,701.75
Expenditures	--
Balance - June 30, 1966	$2,701.75

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
SAFETY RESPONSIBILITY TRUST FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance - July 1, 1965	$2,546.00
Receipts	
Deposits of Security	580.00
Total Funds Available	$3,126.00
Disbursements	
Refund of Security	2,702.00
Balance - June 30, 1966	$ 424.00

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
MOTOR CARRIER SECURITY BOND TRUST
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance - July 1, 1965		$156,443.85
Receipts		
Security Deposits		128,415.05
Total Funds to Account For		$284,858.90
Disbursements		
Refund of Decurity Deposited	$58,838.86	
Securities Forfeited to Department	13,457.89	
Total Disbursements		72,296.75
Balance - June 30, 1966		$212,562.15

SCHEDULE 8

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
DEPOSIT AND INTERBRANCH DEPOSIT ACCOUNTS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance - June 30, 1965			$ 51,670.41	
Receipts				
Administration		$ 388.00		
Drivers License		263,938.23		
Fiscal & Accounting		506.85		
Highway Patrol		4,227.32		
Motor Carrier		5,397,461.71		
Registration		7,710,776.20	13,377,298.31	
Total Funds to Account For				$13,428,968.72
Disbursements				
To Highway Fund From:				
Administration		$ 388.00		
Drivers License		266,564.23		
Fiscal & Accounting		506.85		
Highway Patrol		4,676.00		
Motor Carrier		5,175,678.24		
Registration		2,875,531.99		
			$ 8,323,345.31	
To County Assessors From:				
Motor Carrier				
Privilege Tax		$ 207,270.16		
Registration				
Privilege Tax	$4,682,560.16			
County Expense	79,717.00	4,762,277.16	4,969,547.32	
To Boat Fund From:				
Registration			883.75	
Total Disbursements				13,293,776.38
Balance - June 30, 1966				$ 135,192.34
Balance Composed of the Following:				
Holding Accounts and/or Bank Accounts				
Drivers License			$ 438.00	
Motor Carrier			30,697.49	
Registration			103,928.85	
Highway Patrol			128.00	
				$ 135,192.34

STATE OF NEVADA
DEPARTMENT OF MOTOR VEHICLES
SUPPLEMENTAL LETTER
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

ADMINISTRATIVE PROCEDURES

Administration Division

1. Inventory Control

An attempt was made to physically verify the department's controllable equipment inventory using as a guide a listing prepared by the Purchasing Division, Department of Administration, in February 1967. Numerous items of equipment purchased prior to June 30, 1966 were not included on the listing and many items disposed of more than six months prior to the date of the listing were still included on it. The department completed a physical inventory of their equipment and notified the Purchasing Division of the many changes just prior to the conclusion of our audit.

In view of the fact that the Purchasing Division, Department of Administration, does not provide the department with accurate, up-to-date listings, it is again recommended, as it was in our last audit, that the department utilize their own automation facilities for this purpose. Each employee or division chief should be made responsible for the equipment

in his division or under his control. The department has indicated it plans to initiate this latter recommendation in the near future.

2. Disposal of Equipment

Equipment, furniture and supplies purchased by the department are acquired with funds appropriated from the highway fund. It was noted during our audit that surplus equipment is transferred to general fund agencies at no cost. It is therefore recommended that disposals of this equipment, etc. be handled in accordance with NRS 333.462 through 333.468, which is the law governing disposal of Highway Department equipment, etc.

3. Policy and Procedural Manuals

The policy and procedure manuals now used by the various divisions are limited to job descriptions and document processing instructions, with the exception of the Highway Patrol's, Motor Carrier Field Agent's and Motor Carrier Field Auditor's manuals, which also include policy concerning the conduct of employees and excerpts from the State Personnel Rules and Regulations.

It is recommended that administration prepare one manual for the use of all department employees, expressing the views

of the department with respect to personnel administration. The manual should include such items as conduct of employees, length and timing of coffee breaks, conditions under which overtime will be allowed, approval authorities on motor pool cars, leave requesting, purchase orders, etc., and conditions under which annual, compensatory and sick leave will or will not be approved. It should also promulgate rules which have been left optional in the State Administrative Manual, section 0625 as an example, where it is inherent that each agency establish the time travel shall start and end for purposes of subsistence payments.

4. Regulations Filed with Secretary of State

Each division is apparently filing their rules and regulations in accordance with the provisions of NRS 233B. The divisions have not established a numbering system for their rules and regulations which would provide for a control measure. The rules and regulations files must be compared to the Secretary of State's files to determine if they are complete.

It is recommended that each division establish a numbering system with a master index, indicating rule or regulation number and date filed with the Secretary of State. It

is also recommended that the administration division maintain a file of all rules and regulations adopted by each division so as to provide a central location for all such regulations.

5. Forty-Eight Hour Work Week

The 1965 Legislature approved a fifteen percent increase in salary for highway patrolmen on the condition that they work a 48-hour work week. In October 1965 permission was requested from the State Personnel Division to allow the patrolmen to work six 9-hour days and two days off rather than six 8-hour days with one day off. The proposal was made on the basis that only one holiday per year would be allowed which would require patrolmen to work approximately one hour per year more on the new plan. The Personnel Division approved the plan in November 1965.

During our review of the time records we noted that patrolmen were allowed the total eight holidays off. Although they normally work the holiday itself, they are given another day off to compensate for it. This means that the patrolmen are working approximately 62 hours a year less than they would on a straight 48-hour week.

It was also noted that the motor carrier field agents and the highway patrol dispatcher were working the same six

days on, two days off schedule and they too were being paid for 62 hours a year that they did not work. In all, there are approximately 100 employees in the department working this schedule. This amounts to approximately $20,000 in overpaid salaries per year. It is recognized that a number of these employees lose overtime they are unable to take but during the calendar year 1966 only sixteen lost overtime in excess of 62 hours.

It is recommended that only one holiday a year be allowed employees working on a six days on, two days off schedule as originally agreed to by the State Personnel Division.

6. Annual and Sick Leave Accrual

In the review of the attendance and leave records it was noted that employees working a nine-hour day earn the same amount of sick and annual leave as those working an eight-hour day. When one of these employees takes a day off however, they are charged with nine hours of leave.

NRS 284.355 and rule IX of the Personnel Section, State Administrative Manual, state that annual and sick leave shall be earned at the rate of 1 1/4 days for each month of service. When leave is earned on the basis of an 8-hour day and charged at the rate of a 9-hour day, it results in a rate of earning of only 1.111 days per month of service.

It is recommended that employees working 9-hour days earn leave at the full 1 1/4 days per month rate.

7. Approval of Out-of-State Travel

Section 0611 of the State Administrative Manual states in part, "State offices 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."

During the period under audit there were 84 travel requests filed, of which 25 did not meet the 10 days prior approval requirement. It is recommended that future travel requests be submitted timely in compliance with the State Administrative Manual.

8. Reno Building Air Conditioner

In June 1966, $973.42 was paid for checking the control system for the heating and air conditioning units in the Reno office, and in August 1965, $90.85 was paid to repair the air conditioner.

Under the terms of the building lease dated December 9, 1959 the lessor is to pay for repairs of the heating and air conditioning units during the life of the lease, provided written notification is given by the department that repairs are needed. Although the department did not give the lessor

prior written notification of the above noted repairs, it is recommended that an attempt be made to recover the expenditures from the lessor and that future repairs be handled in accordance with the terms of the lease.

9. Purchase Orders and Approval Authorities

The purchase order system now employed by the department is not all inclusive. Purchases made in the field, recurring services and even some services and supplies ordered from the main office are not covered by purchase orders. This system therefore divides the responsibility of processing invoices between the purchasing section of the administration division and the fiscal and accounting division. In dividing this responsibility there is some loss of control.

It is recommended that all but monthly recurring charges such as oil company billings and telephone billings be covered by a purchase order. This will require that all field personnel be issued purchase order forms. These forms should be pre-printed to limit the amount of each purchase or limit the order as to the nature of material or services that can be rendered. A ledger should then be maintained on all recurring billings, listing each month the billing date, amount, period covered, etc. which will provide the necessary control to avoid duplicate payments.

It is recommended that the purchasing section process all invoices and obtain the necessary approvals. Invoices received that normally would be covered by a purchase order and are not should be stamped to the effect that fiscal and accounting should check for possible prior payment (see fiscal and accounting division recommendations). Since numerous invoices without approval were noted during the period audited, it is also recommended that the department establish an approval authority guide.

10. Warehouse Purchases and Direct Purchase Authorizations

During the fiscal year audited the department expended $16,953.05 for office supplies, of which $4,209.60 was purchased from outside suppliers. A number of the invoices from outside suppliers carried no identification that a direct purchase authorization had been issued by state purchasing; some had no purchase order reference and others contained neither.

Section 2710.2 of the State Administrative Manual states in part that mandatory purchases through the Purchasing Division, Department of Administration, include "office furniture, office supplies and office equipment regardless of monetary value," and "All items listed in State Purchasing Division Catalog. The only exception will be in emergency situations that can be justified to the Purchasing Division, and then the

amount allowed will be only the quantity to provide emergency coverage. Approval will be in the form of a pre-numbered Direct Purchase Authorization,...." This section states further, "If a requested brand is not carried in stock at the warehouse, this will not be authorization for an agency to buy the item locally."

Purchases noted included diaries, daily reminders, rubber cement, and calendar refills, all of which are available from Purchasing Division, Department of Administration.

It is recommended that the provisions of chapter 2700 of the State Administrative Manual entitled "Purchasing" be adhered to, as direct purchases are more costly and also reduce the quantity buying power of the Purchasing Division warehouse.

Drivers License Division

1. Proof of Insurance

It was noted that one driver training school did not have proof of insurance on file nor was there certification that the policy could not be cancelled without 10 days written notice to the department. These are two of the insurance requirements necessary to operate a driver training school as provided by NRS 483.740.

It is recommended that the department provide an insurance binder form for each driver training school applicant, which should be completed by the insuring company and returned with the application. The binder should stipulate the minimum insurable amounts, the 10-day cancellation clause, and be approved as to form by the Attorney General.

This recommendation was made in our previous audit.

2. Contract for Use of Drivers License Files

In April 1963 the department signed a contract with a Reno firm which allows the firm to use the department's files and space in the Drivers License Division for three employees. At the request of insurance companies and other interested parties the firm searches the drivers license and auto registration files and charges 75 cents for the information. Telephone requests

cost $1.00. The firm pays the department 25 cents for each search made. During the calendar year 1966 the department received $23,023.50 for 92,094 searches.

The present contract, although not unlawful, would appear not to be in the best interest of the state. It is therefore recommended that a new contract be put out for immediate bid which would give all interested parties an opportunity to bid as well as provide the state with the greatest possible income. The department should also determine, before the next regular session of the Legislature, the feasibility of performing the searches itself and how many additional personnel would be required.

Highway Patrol Division

1. Private Detective Licensing Files

The private detective licensing files were found to be incomplete in many cases. Of the sixty files reviewed, seven did not contain fingerprints as required by NRS 648.080. One file contained a letter cancelling the license for failure to replace a terminated bond and after the bond was replaced there is no correspondence indicating the license was reinstated although the file is listed as active and the firm is operating. Another file did not have the required approvals by three reputable freeholders as required by NRS 648.090.

It is recommended that each file be provided with a check-off list for such items as fingerprints, posting of bond, FBI report, etc., which are required by chapter 648 of NRS. It is also recommended that a followup system be instituted for correspondence concerning replacement bonds, cancelled and reinstated licenses.

2. Form of Private Detective's Bond

The form provided by the board for the private detective's bond required under NRS 648.130 does not provide for prior notice of cancellation. Although prior notice of cancellation is not stipulated in the statute, as a good business practice,

it is recommended that the bond form be revised to provide that 30 days prior notice be required before a bond can be cancelled.

3. Expenses of Private Detective Licensing Board

The Private Detective Licensing Board fund, which is non-reverting, had an unexpended surplus balance as of June 30, 1966 of $14,321.68. $1,855.26 of this balance was accumulated during the 1965-66 fiscal year. The primary reason for this large unexpended balance is that not all of the expenses attributable to the board are paid from this fund. Some of the expenses are absorbed by the Motor Vehicle Department fund.

It is recommended that the private detective licensing fund be charged monthly with a prorata share of building rental, postage, telephone rental and other indirect expenses and that it be charged with all direct expenses such as printing and telephone tolls.

4. Compliance With NRS 218.880

During the course of the audit of the Department of Motor Vehicles it was noted that both the present superintendent of the Nevada Highway Patrol and his predecessor had entered into contracts for the production of T.V. commercials on behalf of a major oil company. In the T.V. commercial, the superintendent

of the Nevada Highway Patrol is introduced by his title and name and is attired in his official uniform. He then drives a Nevada Highway Patrol car, leading the gasoline mileage test car at a prescribed rate of speed. For the days the commercials were filmed there were no requests for leave forms on file for either superintendent, and none of the moneys paid to the respective superintendents have been deposited to the credit of the state's general or highway fund. The present superintendent received a total payment of $2,974 and the predecessor received $4,953.25 as payment for participation in the filming and running of the commercials.

Believing that there might have been a violation of subsection 3 of NRS 197.110 which provides in part that every public official who shall employ or use any property under his official control or direction or in his official custody for the private benefit or gain of himself or another shall be guilty of a gross misdemeanor; and being required by subsection 2 of NRS 218.880 which provides "If the fiscal analyst shall find evidence of illegal transactions, he shall forthwith report such transactions to the governor, the legislative commission and the attorney general," such action was taken through the offices of the Legislative Counsel by letter dated September 1, 1967.

Fiscal and Accounting Division

1. Interbranch Deposit Account

The department's branch offices deposit funds received in their local banks for transfer to the Carson City branch bank. The department, upon receipt of the duplicate deposit slips, transfers the funds by warrant from the bank to the State Treasurer who then redeposits the funds in the same bank. During the year audited the interbranch deposit account had an average daily ending balance of $56,216 with some closing balances exceeding $319,000. The funds in this account are not secured by the bank as required on deposits made by the State Treasurer.

It is recommended that the department interbranch deposits be made directly to the State Treasurer's account. The depositor would then send duplicate deposit slips to both the State Treasurer and the department's fiscal and accounting division.

2. Checks Turned Over to Collection Agency

The deputy attorney general assigned to the department turned over a number of bad checks to a collection agency in September 1965. The collection agency submitted checks in November and December 1965 for collections made in October and November. In May 1967 the collection agency submitted a

check for amounts collected in December 1965, January, June, August, September, October and November 1966, and January and March 1967. Per the agreement with the agency, proceeds were to be remitted before the 15th of the month following date of collection. It is recommended that the department request an accounting monthly on all checks placed with a collection agency, whether any collections are made or not.

3. Fiscal Year's Revenue

Revenue received is first deposited to a holding account and then distributed by warrant to the highway fund or county assessor, as the case may be. Under the present system, undistributed amounts remaining in the holding account at the end of a fiscal year are not separated from deposits and distributions in the next fiscal year. Therefore, exact revenue attributable to any particular fund for any one fiscal year cannot be determined without considerable effort. The balance in the holding account at the end of fiscal year 1965-66 was $126,188.44.

It is recommended that records be maintained, indicating the distribution of the balance in the holding account at the end of each fiscal year. This can be accomplished by having the tabulating equipment print a separate listing of clearings

in the subsequent fiscal year that bear a deposit batch number identifiable to the previous fiscal year. As with other revenue receiving agencies, any moneys in holding or receiving accounts distribution although made in July are made as of June 30. This can be accomplished due to the state's policy of keeping records open for a 60-day period after the June 30 date.

In addition to the holding account, there was also over $7,000 in the interbranch deposit account at the end of the 1965-66 fiscal year which had not yet been transferred to the holding account. Revenue received in the last few days of June was also not deposited until July.

It is recommended that these receipts also be identified with the fiscal year received even though not deposited to the holding account until a later period. This can be done by using the batch number for the end of June and replacing the first digit of the number with a letter; A for the 1st of July, B for the second, etc. In this manner the revenue is identified with the year actually received and still indicates the deposit date for control purposes. If the recommendation under paragraph 3 above is followed this problem will not exist.

4. Recoveries on Automobile Insurance

The department's automobile insurance carrier will pay all but the $100 deductible on accident repairs. If the accident was not the fault of one of the department's employees the department is reimbursed the $100 only after their carrier collects from the guilty party. The reimbursement may be two or three years after the accident if settlement has to be made through a court.

The department does not maintain a record of recoverable deductibles paid. It is recommended that the department keep such a record beginning July 1, 1967. Amounts should not be removed from the records until it is definitely established that the $100 deductible is non-recoverable. An accounting should be required from the department's insurance carrier at least quarterly as to the status of each deductible reimbursement pending.

Registration Division

1. Control of License Plates

Currently, the automation division supplies registration with a numeric listing of license plates issued. Included in this listing are plate numbers for which automation has not been supplied with a registration document and therefore on the listing these plate numbers are identified as "missing." At the present time nothing is done about these missing plates. The licensing agents are notified of missing plates by a copy of the listing but they are not required to account for them.

The number of missing plates was counted for Ormsby County and although it is not representative of the other counties as Ormsby is quite high, it does give some idea of the seriousness of the problem. Only those plates issued in sequence through October 1966 were counted, thereby allowing an additional two months until the end of the year for misplaced plates to be issued. There were 81 plates listed as missing, of which 19 could be accounted for as being issued to undercover cars, leaving 62 plates unaccounted for.

It is recommended that the department take the following action concerning missing plates:

(a) Automation submit a listing by counties of missing plates each month, in duplicate; one copy for the department and the other to be sent to the licensing agent.

(b) Allow each plate to appear on the listing one month with no action, giving the licensing agent time to issue the plate if it was missed the prior month.

(c) The second month the plate appears, contact the licensing agent, requesting an accountability for the plate.

(d) Local law enforcement agencies, including the highway patrol in that county, should then be advised to watch for any plates still missing. If such a plate is found the officer should notify the department, stating all the facts including whether or not the registration was valid.

(e) A valid registration would indicate possible misapplication of funds by the licensing agent and an immediate investigation would be warranted.

2. Decal Control

The recommendations made in our last audit have been followed with the exception that the Reno office only conforms during the peak registration period. During the remainder of the year up to six employees handle their own decals as was the procedure prior to our last audit. We recommend that the

Reno office require one employee only, to handle decals during the entire year.

Decals and plates are issued by the registration division to the licensing agents. The records of these issues and of sales and returns, however, are maintained by fiscal accounting. Fiscal accounting also receives the moneys for sales and the unsold decals and plates from the agents.

It is recommended that the agents' records and the responsibility for receiving unsold decals and plates be returned to the registration division in order to strengthen internal control.

3. Privilege Taxes on Trucks

Privilege tax assessments on trucks of 6,000 pounds or more were noted to be in error in numerous instances, possibly on as many as 25% of all such registrations. The errors occur through the use of manufacturers' retail prices taken from a book commercially published for such purposes. Since trucks of this size are manufactured for a variety of uses, the book lists only cab and chassis prices. The purchaser of the truck may then install a cement mixer unit, propane tank, refrigerated van, or any number of other bodies on the chassis. These bodies installed on the chassis must

also be assessed privilege taxes and in those instances where the assessment only covers the manufacturer's retail price, the value of the bodies are not taxed.

It is recommended that the registration certificate, Form RD1, be revised to provide a space for the manufacturer's retail price of the cab and chassis, the retail price of the body and a space for the total value to be taxed. This will alert all licensing agents of the need to value the body. It is also recommended that a review be made by the department of all privilege tax valuations on currently registered trucks. An audit of only one firm yielded additional privilege taxes of $875 on 28 trucks for 1965 and $784 on 24 trucks for 1964 because of untaxed bodies. It is possible that substantial tax dollars are not being collected.

4. Horseless Carriage Registrations

Under NRS 482.380 the Horseless Carriage Club of Nevada is authorized to issue special license plates to owners of motor vehicles of any 1915 or prior model. Paragraph (a) of subsection 4 states, "The license plates shall be numbered and issued consecutively each year beginning with 'Horseless Carriage.'" License plates issued in 1966 ran through Horseless Carriage 49 but registration fees for only 42 plates were submitted to the department.

It was also noted that the fees turned over to the department consisted only of a $5.50 registration fee per vehicle. Paragraph (e), subsection 3 of NRS 482.380 states, "All applicants for license plates pursuant to the provisions of this section shall:

"(e) Pay the fee prescribed by the laws of this state for the operation of a passenger car, regardless of weight or number of passenger capacity."

In addition to the $5.50 registration fee, privilege taxes should also be assessed on horseless carriages to comply with the above provisions. It is recommended that the Horseless Carriage Club of Nevada be advised to comply strictly with the above mentioned statute and that the department take steps to insure that all fees due the state are fully collected.

5. Auto Dealers Special Drive-Away Permits

NRS 482.3212 states, "The department shall issue to any dealer upon request, and upon payment of a fee of $8.25, a special permit, in a form to be determined by the department, for movement of any vehicle for the purposes of sale outside the State of Nevada, or for movement outside the state of any vehicle purchased by a nonresident. The permit shall be affixed to the vehicle to be so moved in a manner and position

to be determined by the department, and shall expire 5 days after issuance."

The department has interpreted the statute to be permissive rather than regulatory in the sense that a dealer need not obtain a special permit to deliver a vehicle outside the state as they can make the delivery using a demonstrator plate, a dealer's or manufacturer's plate, or a dealer's permit for movement of a used vehicle. In addition, the department interprets the term "movement" to include driving only.

We recommend that NRS 482.321, 482.3211, 482.3212, 482.330, and 706.680 be considered for corrective legislation to clarify the statutory language.

6. Vehicle Dealer's Bond

The form of the bond required of vehicle dealers under NRS 482.345 states in part, "The condition of this obligation is such that: Whereas, the above named principal has been licensed to carry on or conduct in this state as a dealer the business of buying, selling or dealing in new or used motor vehicles; and...."

It is recommended that the used form be revised to state "...dealing in new or used motor vehicles, trailers, semi-trailers, mobile homes or other vehicles; and...."

7. Certification of a Franchised Dealership

NRS 482.350 states, "A new vehicle dealer's license shall not be furnished to any dealer in new vehicles, trailers or semitrailers unless the dealer shall first furnish the department an instrument executed by or on behalf of the manufacturer certifying that he is an authorized franchised dealer for the make or makes of vehicle concerned. New vehicle dealers shall be authorized to sell only those new vehicles for which they are certified as franchised dealers by the manufacturer."

In reviewing the department's files it was noted that such a certification was not available for one dealer. The present files relating to dealers are plain manila folders with tabs for dealer identification.

It is recommended that the file folders be revised or that an insert be obtained to be attached to the inside cover of the present folder, which will provide a check-off list for all documents required of a dealership such as applications, surety bonds, franchise certification, etc. It is also recommended that the missing franchise certification be requested immediately from the dealer mentioned above.

8. Salesmen Licensing

Salesmen are required to obtain a license each year under the provisions of NRS 482.362. The licenses expire each

December 31. Subsection 4 of this statute states, "In the event that a salesman ceases to be employed by a licensed and bonded dealer, his license to act as a salesman shall thereupon immediately cease, and he shall not engage in the activity of a salesman until reemployed by a licensed and bonded dealer. Every licensed salesman shall report in writing to the department every change in his residence address, place of employment, or termination of employment within 5 days of the date of making such change."

An analysis made in February 1967 revealed that 313 salesmen whose licenses expired December 31, 1966 had neither renewed their licenses nor notified the department of a termination. The 313 salesmen represent approximately one-third of all salesmen licensed in the previous year, so it is apparent that present enforcement procedures have been ineffective. The workload handled by this section probably accounts for this ineffectiveness.

It is recommended that a confirmation mailing system be initiated. Each month mail requests should be made to employers of approximately 10% of the licensed salesmen asking for employment confirmation, or if terminated, the date of termination. A second set of mail requests should

go to the homes of the same or another group of salesmen seeking confirmation of employment and residential address. This second set would undoubtedly have returns that the post office was unable to deliver and would indicate the number of salesmen moving without changing address. This system could be handled through automation machine prepared cards and should not cost as much as the present method, yet would give a much higher rate of coverage.

The present licenses issued are unnumbered with only one or two persons issuing licenses and handling the money. Transfers are handled in the same manner.

It is recommended that both original licenses and transfer licenses be prenumbered and issued in consecutive order each year. This will enable a proper accounting of funds collected at all times and strengthen internal control.

9. Exemption Certificates

License plates for publicly owned vehicles are issued by the department under the provisions of NRS 482.365. Subsection 3 of this statute states in part, "...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...."

As noted in our previous audit, there is not complete compliance to this statute. One state official, for instance, signed an affidavit in January 1965 that the words "For Official Use Only" had been permanently and legibly affixed to each side of his vehicle. The vehicle has been observed for over two years with no identifying marks to indicate it is a state vehicle.

It is again recommended that the department require certifications to be completed in full before plates are issued. It is also recommended that the Highway Patrol and other law enforcement agencies be advised to cite all drivers of public owned vehicles not properly identified. The citations could be under NRS 482.545, which says that it shall be unlawful to knowingly make a false statement or knowingly to conceal a material fact in registering a vehicle.

10. Receipts for License Plates, Decals and Permits

Receipts are not obtained for license plates, decals and permits sent to branch offices and licensing agents unless delivered by the department truck or picked up in the department's

office. A receipt book is used to record the serial numbers of the material issued and one copy goes to the branch or licensing agent, the second to fiscal accounting, the third to registration and the fourth remains in the book. From reviewing the second, third and fourth copies, all of which are available in the Carson City office, it appears that only about 25% have been signed by the licensing agent or branch office. Under this method there is no way to prove that an agent or branch office received all of the material they are charged with.

It is recommended that one copy of the receipt be sent with the material to be signed confirming delivery and returned to the department. If the receipt copy is not returned in a reasonable time the department should followup to insure that receipts are obtained for all material issued.

11. Privilege Tax Penalties

A penalty of 10 percent of the tax due, with a minimum penalty of $3.00, is levied under the provisions of NRS 371.140 for failure to pay privilege taxes within 30 days after they become delinquent. Privilege tax penalties collected through the registration division are retained by the department rather than forwarded to the county assessors with the tax.

The department is relying on the fact that NRS 371.180 allows the department to waive the penalty in a certain instance and that time and effort is normally involved in collecting the penalty and therefore the department is entitled to keep such funds collected.

We feel that the department has no authority to retain privilege tax penalties without specific legislative authorization, especially in view of the fact that a percentage of the tax collected can be and is retained as commission to the state for collecting the tax.

12. Bonding

The department has authorized the AAA Insurance Company to sell registration decals as a convenience to its customers. As was noted in our last audit, the department has not required a bond to secure payment of the fees collected.

It is again recommended that, as a good business procedure, a bond be required to secure such payments.

Motor Carrier Division

1. Vendors' Faithful Performance Bonds

Vendors are appointed by the department to sell licenses and bonds to motor carriers. For any sales made they are allowed to deduct a commission from the payments sent to the department. Subsection 4 of NRS 481.051 states in part, "...The vendor shall guarantee such payment by giving a bond to the state in such sum as may be fixed by the director. The premium on such bond shall be paid by the department...."

In reviewing the vendors' files it was noted that six files did not indicate current payment of bond premiums. Payment of premiums were traced in the fiscal and accounting records on three of the bonds. Requests were made to the bonding company on two of the three remaining bonds and it was learned that the premium had been paid in both cases. It must then be assumed that the vendors themselves paid the premiums.

It is recommended that controls be established to insure that all bond premiums are paid when due and that all premiums be paid by the department in accordance with the above statute.

2. Interest on Additional Assessments, NRS Chapter 366

NRS 366.410 states, "Every such additional assessment shall bear interest at the rate of 1 percent per month or fraction

thereof, from the 25th day after the close of the month or months, as the case may be, for which the additional assessment is imposed until paid."

The department has interpreted NRS 366.410 to mean that no interest will be assessed for the period between the time when the tax was actually due and the time the department imposes an assessment. Then 1 percent interest is added to the assessment to cover approximately one month, beginning with date the assessment is imposed. If the assessment is paid within that one month no additional interest is imposed. For example, an audit assessment is made June 25, 1967 for tax liability accrued in the month of May 1965, which should have been paid by June 25, 1965. No interest is added to the assessment for the two-year period between June 25, 1965 and June 25, 1967, but 1 percent is added to cover the period between June 25, 1967 and July 25, 1967. The taxpayer is allowed the use of the money due the state for two years interest free.

We reviewed 45 audit assessments in excess of $1,000 and 7 audit assessments under $1,000 for the years 1965 and 1966. The review revealed that an additional $4,273.18 in interest should have been assessed for the period between the due date of the tax and the date the assessment was imposed. Had the remainder of

the audit assessments been reviewed an additional underassessment of approximately $4,000 to $6,000 could be expected. It was also noted that interest between the date of an original assessment and a later revised assessment is not assessed nor collected.

It is recommended that interest be assessed from the 25th of the month following the month in which the tax liability accrued until it is paid as is provided by statute.

3. Addition of Penalties and Interest on Installment Payments

The department does not add a late payment penalty to assessments paid off on an installment basis. NRS 366.480 states in part, "...If a petition for redetermination is not filed within the 15-day period, the assessment shall become final at the expiration of the period." Subsection 2 of NRS 366.510 states, "If any assessment or reassessment is not paid on or before the date it becomes final, there shall be added thereto in addition to any other penalty provided for in this chapter a penalty of 10 percent of the amount of the tax."

From the above sections it is evident that a 10 percent penalty must be added to any tax not paid before it becomes final. We can find no authority for the department to waive this penalty either on assessments paid on installment basis or ordinary late payments. Our review of 52 audit assessments for the years 1965

and 1966 revealed failure to assess late payment penalties totaling $1,064.62. Penalties were not calculated on those assessments which were deemed uncollectible.

It is recommended that the 10 percent late payment penalty be added to all assessments not fully paid when they become final. This recommendation would also apply to chapter 706 of NRS since it has the same provisions.

4. Time for Petition for Redetermination and Finality of Assessment

NRS 366.480, 366.490, 366.500 and 706.870 provide that an assessment or order or decision on a petition for redetermination shall become final 15 days after notice thereof. The department has been ignoring this finality and has revised assessments as much as six months after they were final. We can find no authority for the department to revise an assessment after it has become final. The files reviewed indicated that such final assessments were reduced by $3,865.69 in taxes, penalties and interest.

It is recommended that the department adhere to the provisions of the aforementioned statutes.

5. Collection of Unpaid Assessments

As of March 31, 1967 the audit section has $25,459.05 outstanding for 180 days or more, of which the oldest outstanding amount is from May 1964. A write-off of accounts deemed uncollectible was made in February 1964. Attempts to collect assessments

outstanding for a lengthy period is rather passive. The department waits until one of the operator's trucks is stopped within the state and then a lien is placed on the truck to secure payment of the assessment. A number of assessments are collected in this manner. Some firms go out of business within a few months after the assessment is made and before returning to the state.

Of the $25,459.05 outstanding, in excess of $15,000 is attributable to 10 firms. No record of any attempted collections through the Attorney General's office was noted on these assessments. (Refer to "Suggested Legislation," Motor Carrier Division, Item 12.)

6. Motor Carrier Licensing of Utility Companies

In Opinion No. 69 dated September 10, 1963, the Attorney General declared that utility companies are subject to motor carrier licensing under Chapter 706 of NRS. This opinion has been reiterated in a letter to a Reno attorney dated June 15, 1964 and in subsequent Opinion No. 342 dated June 24, 1966.

Compliance with the licensing requirement was met by all but four utility companies. No action was taken against these companies until September 1965 when three of the four companies were audited. The audits covered the period of July 1, 1965 to December 31, 1965. They should have covered a two-year period under the provisions of NRS 706.870. Two of the companies audited were assessed $4,121.80 and $776.22 respectively. The third

company audited was not assessed any additional fees as they had licensed most of their trucks in July 1965.

It should be noted that the 1965 Legislature reduced the motor carrier licensing fees which became effective July 1, 1965. Assessments made were at the reduced rates as the companies were only required to license for the last half of the year. From the department's records for 1965 and estimates for 1964 and the last half of 1963 we have calculated the liability of these four companies to be approximately $90,000 compared with the $4,898.02 actually assessed.

In May 1966 the four utility companies joined in a complaint against the department, alleging that they were not subject to licensing requirements under NRS Chapter 706. The audit assessments are still outstanding and no date has been set for a hearing on the complaint of the four companies.

By letter of October 18, 1965 a representative of the department advised one utility company that interest on the audit assessments would not be charged pending determination from the Attorney General's office. There is no provision in the chapter for waiver of interest. It is recommended that the utility companies be so advised and that full interest be collected if the court's decision is in the state's favor.

7. Improper Refund

In July 1965 a Las Vegas firm was issued eleven citations on separate trucks for supplying weights for registration purposes less than actual weights. After a plea of not guilty was entered in justice court the matter went to trial and was dismissed because the department failed to have anyone at the trial. The department director later advised the firm that the reason no one was at the trial was that the citations were issued under the wrong section of NRS. The Legislative Counsel advised that in his opinion the citations were valid. The department was remiss in not following through on the citations and letting the court decide whether or not the citations were erroneous.

This same firm was audited in August 1965 and an assessment of $19,345.31 was levied. After considerable correspondence between the taxpayer, the Governor, and the department, at least two meetings between the taxpayer and the department and one meeting between the taxpayer and the Governor, the assessment was reduced to $2,584.17 in February 1966. Of the $2,584.17, $1,865.00 was privilege tax. There was no penalty assessed on the privilege tax even though such taxes were delinquent from 1964.

The reduction in the audit assessment was due to a number of items such as allowing a weight deduction on the trucks for fuel in the tanks and oil for the hoists on some trucks, a decrease

in privilege tax and reducing the penalty on flat fee licenses from 25% for fraud to a normal 10%. The largest reduction was a $10,328.40 flat fee and $1,032.84 penalty allowance for license fees paid in, or assessed for 1963, 1964 and 1965 on trucks which the firm claims it could operate within a five mile radius of a number of base cities. They were not so licensed in those years.

We feel that the reduction in the flat fee of $10,328.40 and the penalty credit in the amount of $1,032.84 was unjustified for two reasons; (1) Attorney General's Opinion No. 209 dated February 10, 1961 states that an exemption from licensing is applicable to only one base city. This opinion was reiterated in a letter from the deputy Attorney General assigned to the department on December 28, 1965, just 33 days before the credit was allowed; (2) NRS 706.640 states in part, "...the department shall immediately commence an investigation to determine if the application or refund is justified,...." The required investigation as to actual facts was not conducted.

Also noted in the department's audit was that the combined weight of the vehicles, as reported by the firm, for the four-year period ending in 1965 totaled 1,641,215 pounds. Upon audit it was determined the actual weight was 2,050,000 pounds or 25% more than reported. This firm holds a certificate of appointment under NRS 582.030 as a public weighmaster.

It is recommended that the department take immediate steps to recover the unwarranted refund. It is also recommended that the possibility of assessing the 25% fraud penalty for the erroneous weights be re-examined.

SUGGESTED LEGISLATION

Drivers License Division

1. Reports from the State Board of Health

Physicians are required to report to the State Board of Health the name, age and address of every person diagnosed as a case of epilipsy and the State Board of Health must report this information to the Department of Motor Vechicles as provided by NRS 439.270.

Our last audit revealed that the reports were not being received by the State Board of Health and consequently the department was not receiving the desired information. The current audits of both agencies indicate the same lack of responsibility on the part of the physicians. The Health Department feels that the physicians refuse to comply on the basis that such information is confidential.

Even if the Legislature were to provide for a substantial monetary penalty in the statutes for refusal by a physician to disclose such information, it is extremely doubtful that this would force the physicians to comply with the law. Therefore, since this statute is unenforcible we recommend that NRS 439.270 be repealed.

Highway Patrol Division

1. Transfer of Highway Patrol Vehicles to School Districts

The Highway Patrol does not transfer their vehicles to school districts as they are authorized to do by NRS 481.190 through 481.220. The Attorney General, in Opinion No. 38 dated April 12, 1955, stated that NRS 481.190 was in violation of Art. 9, Section 5 of the Nevada Constitution, as the transfer of such vehicles was a diversion of funds for purposes other than those directed by the Constitution.

The department also feels that these vehicles would be unsafe for student driver training because of the excessive horsepower ratings required for patrol purposes and that such vehicles should be operated only by expert drivers.

In view of the above, it is recommended that NRS 481.190 through 481.220 be repealed.

2. Maximum Weight of Vehicles on Public Highways

Maximum weight of vehicles is covered under NRS 484.530 through 484.590. Subsection 1 of NRS 484.580 states, "Authority for the enforcement of the provisions of NRS 484.530 to 484.590, inclusive, shall be vested in the Nevada highway patrol under the jurisdiction of the department of motor vehicles."

With the addition of the motor carrier field agents the primary responsibility for enforcing the weight limit statutes has been transferred to them. It is therefore recommended that NRS 484.580 be revised to include motor carrier field agents.

Fiscal and Accounting Division

1. Working Capital Fund

A $5,000 working capital fund was created under the provisions of NRS 482.183. This statute states in part, "...and may be used for the following purposes, and no other:

"(a) To cover bad checks received by the department and deposited to the account of the department in banks of Nevada."

"(b) For branch office change funds."

The department does not use this fund to cover bad checks because at times the bad checks held by the department exceed $30,000. Bad checks are charged back against the deposit account. It is recommended that this procedure be authorized by statute and the reference to bad checks in NRS 482.183 be deleted.

Change funds authorized by this statute are for branch offices only. The headquarters office requires change funds however and it is recommended that this section be amended to legalize their existence. If the reference to bad checks is deleted, it is also recommended that the amount of this fund be reduced to $3,000.

In addition to change funds, this fund has also been used for bank collection charges and to replenish the change funds for cash shortages. This fund is then itself replenished from the deposit account. The auditor was advised that in the future the

change funds would not be replenished monthly as is now done, but only once a year and that directly from the deposit account. It is recommended that this procedure be so followed. It is not feasible to handle bank collection charges in any other manner however and it is therefore recommended that NRS 482.183 be amended to provide for such use.

Registration Division

1. Registration of New Vehicles by Dealers

The provisions of NRS 482.321, subsection 1, allow a manufacturer or dealer in vehicles "...to register not more than five new vehicles of the make for which he is a licensed and franchised dealer in his name upon payment of only the registration and licensing fee as provided in this chapter without being subject to the payment of privilege taxes, and may transfer such registrations to other new vehicles without payment of such taxes."

The portion of subsection 1 limiting a dealer to five plates has been made inoperative by NRS 482.207 passed by the 1965 Legislature which states in part, "Notwithstanding any other provisions of this chapter, any vehicle dealer licensed under the provisions of NRS 482.325 may, upon presentation of a manufacturer's certificate of origin or other evidence of ownership satisfactory to the department, register a vehicle being held for sale or resale in the name of his dealership." Vehicles registered pursuant to the provisions of this statute are not subject to privilege taxes as they are exempted by NRS 482.361 which states, "Notwithstanding the provisions of chapter 371 of NRS and this chapter or any other law, no dealer shall be required to pay privilege tax, either as a tax on inventory or on individual vehicles, on

any vehicle of which such dealer takes possession and which he holds for sale in the ordinary course of his business."

Subsections 2 and 3 of NRS 482.321, which cover the registration and payment of privilege taxes by a buyer of such a licensed vehicle, are unnecessary since these transactions are explained in NRS 482.215 and 371.080. It is therefore recommended that NRS 482.321 be repealed and that the provisions of subsection 4 of that statute which states, "Nothing contained in this section shall be construed to apply to work or service vehicles," be added to NRS 482.207.

2. List of Stolen Vehicles

Subsection 2 of NRS 482.520 provides that the department shall prepare a record of stolen and recovered vehicles at least once each month and furnish copies thereof to police and sheriffs' offices throughout the state and to the Federal Bureau of Investigation.

Local law enforcement agencies accept initial reports of stolen vehicles and transmit the information to AUTO-STATIS. AUTO-STATIS is a computer system operated by the California Highway Patrol and contact with the system, either to report a stolen vehicle or to check a possible stolen vehicle, is made through a special teletype line. Law enforcement agencies not connected with the system use the facilities of agencies that are connected.

The only stolen vehicles reported to the department are those reported by other law enforcement agencies to the Highway Patrol and these only to be passed on to AUTO-STATIS since the reporting agency is not connected to the system. As initial reports of stolen vehicles are not made to the department and reports that are received are only for transmission to AUTO-STATIS, it is recommended that subsection 2 of NRS 482.520 be repealed.

3. Pickup Camper Property Tax

During the course of our audit we had occasion to talk to two county assessors. In both counties, an effective method of locating pickup campers for purposes of personal property taxation has not been found. Many of these campers cost $1,000 to $2,000 or more and are not being taxed. Both assessors stated that campers presently being taxed in their counties would probably be less than 5% of the total.

It is recommended that the Legislature consider the two following proposals as a possible solution to the problem.

(a) Require a sticker to be attached to the camper yearly to show that property taxes have been paid. This is the method presently used for mobile homes. The stickers are issued by the county assessors at the time the taxes are paid. The one drawback to this method is that it is up to the assessor with a limited staff to locate violators.

(b) Require pickup campers to be registered and licensed at a nominal fee, issuing a license similar in size to that of a motorcycle. As with mobile homes, proof must be furnished that property taxes have been paid before a license can be issued. The strong point of this method is that law enforcement officers throughout the state would provide much more effective enforcement than could be obtained through the assessors and their staffs.

Motor Carrier Division

1. Carriers Special Fuel Delivery Reports

Every carrier that delivers special fuel to or from any point in the state is required by NRS 366.155 to report the details of such deliveries monthly. The department has never enforced this section because the voluminous reports that the carriers would have to prepare and the department would have to file would be of little value. The department estimates that approximately 90% of all substances classed as "special fuel" and used in the state is consumed for off-highway purposes such as heating oil. Since the excise tax imposed by this chapter is levied against the user the remaining 10% of the delivery reports would insignificant. Such delivery reports are required by NRS chapter 365 for motor vehicle fuel. The excise tax imposed by this chapter, however, is on the dealer and the tax is based on the gallonage delivered as reported by the carrier.

It is recommended that NRS 366.155 be amended to allow the department to require reports from all or any portion of the carrier that in the department's discretion are necessary to administer the provisions of this chapter.

2. Late Tax Returns, Penalties and Interest

Each month there are approximately 300 late special fuel and/or mileage tax returns. Approximately 200 of these require one

or more letters demanding the return be filed. A number of cases were noted where a taxpayer would not file a return for four or five months. The majority of the returns, when finally submitted, were nil reports with no funds due or were for mileage tax only. There is a 10 percent late payment penalty for special fuel tax but if no tax is due there of course is no penalty, and NRS chapter 706 covering mileage tax has no provision for a late payment penalty. The collection efforts expended by the department, including normal mailing and registered mailing fees, are an expense not recovered.

It is recommended that a late payment provision similar to NRS 366.530 be added to chapter 706 of NRS. It is also recommended that a minimum late payment penalty for a special fuel return, mileage tax return, or combination return be provided whether it be a nil report or not. The establishment of a late mileage tax penalty and a minimum late return penalty should reduce the number of late returns to a nominal amount, thereby creating a savings in collection efforts.

3. Refund of Illegal or Erroneous Collections

NRS 366.650, subsection 1, states in part, "...Written application for refund, stating the specific grounds therefor, shall be made within 2 years after the date of payment, whether or not the excise tax, penalty or interest was paid voluntarily or under protest."

Subsection 2 of NRS 366.660 states, "After payment of any such excise tax or other amount under protest, duly verified and setting forth the grounds of objection to the legality thereof, filed with the department at the time of payment of the tax or other amount protested, the special fuel dealer or special fuel user making the payment may bring an action against the state treasurer in the district court in and for Ormsby County for the recovery of the amount so paid under protest."

Subsection 1 of NRS 366.670 states, "No action authorized by subsection 2 of NRS 366.660 may be instituted more than 90 days after payment under protest has been made. Failure to bring suit within the 90 days shall constitute a waiver of any and all demands against the state on account of alleged overpayments."

From the above it is evident that there is a discrepancy between the time allowed to file for a refund on amounts paid under protest. NRS 366.670 provides that if suit is not brought within 90 days after payment that all demands against the state for overpayments are waived, yet NRS 366.650 allows 2 years to file for refund.

It is recommended that the last sentence of subsection 1 of NRS 366.650 be amended to read, "Written application for refund, stating the specific grounds therefor, shall be made within 2 years after the date of payment. Application for refund of excise tax,

penalty or interest paid under protest shall be made in accordance with NRS 366.660 and 366.670."

4. Farm Vehicle Exemption from Motor Carrier Licensing

Exemptions from motor carrier licensing and the other provisions of chapter 706 of NRS are partially listed in NRS 706.670. Paragraph (d) of subsection 1 of this section states that "None of the provisions of NRS 706.010 to 706.700, inclusive, shall apply to:

"(d) Farm vehicles, or to the transportation of livestock by the owner thereof in his own single unit truck of 10,000 pounds or less unladen weight." A truck-tractor or a truck with an unladen weight in excess of 10,000 pounds would therefore not be exempted from licensing, etc. when used in the transportation of livestock. However, the 1963 Legislature added a definition of farm vehicle to this chapter which states, "'Farm Vehicle' means any motor vehicle or combination of motor vehicles used exclusively to transport livestock and farm products raised, grown and owned by the owner of such motor vehicle, and for transportation of merchandise and supplies of such owner for his own use."

The department does not now require licensing of any vehicles used in the transportation of livestock since they feel these vehicles are included in the definition of a "farm vehicle" and

are therefore exempted under NRS 706.670. Since there is reasonable doubt as to the present legislative intent, it is recommended that legislative clarification be obtained with respect to NRS 706.670, subsection 1, paragraph (d).

5. Cost of Administration of NRS Chapter 706

NRS 706.190 states, "All costs of administration of this chapter shall be paid from the state highway fund on claims presented by the commission, approved by the state board of examiners."

The responsibility for the administration of NRS chapter 706 is vested in both the public service commission and the department of motor vehicles. It is therefore recommended that NRS 706.190 be amended to include claims submitted by the department of motor vehicles, thereby giving legal authority to the payment of such claims now being made by the state controller.

6. Employment of Personnel

NRS 366.120 authorizes the department to employ personnel "as it may deem necessary for the efficient administration of this chapter, and may fix their compensation and provide for their necessary expenses."

Since all employees must be hired through the State Personnel Division, as provided by chapter 284 of NRS, it is recommended that this statute be amended to conform to NRS 284.

7. Advance Deposit Required for Mileage License

In order to qualify for a mileage license under the provisions of NRS 706.550, subsection 2, paragraph (b), an operator must annually make an advance deposit. The deposit is applied against the monthly fee due and is not refundable if not entirely used up during the year. The advance deposit causes a number of problems in the administration of this chapter.

(a) In calculating the annual fees due for licensing, most of the operators make errors and the largest percentage of these are attributable to the advance deposit. This necessitates advising the licensee of the proper fees due and either billing an additional amount or issuing a refund application.

(b) A marginal operator or a licensee that has lost a portion of his previous year's deposit will be reluctant to put up a deposit to properly relicense. This could result in a loss of revenue besides causing enforcement problems.

(c) The biggest problem with the advance deposit arises with the monthly tax returns. The amount of remaining deposit must be shown on the monthly returns so that the licensee knows when his deposit is exhausted and he must start paying the fees due. Timely returns are received as of the 30th of the month and the department has to deposit the funds received, check the returns for accuracy,

determine which returns have not been received, prepare new returns showing the new advance deposit balances and error corrections, and then mail the returns to the licensees, all within as few as six work days. Since the returns are mailed two weeks or less before they are due back, most returns arrive at the same time. All of this causes about two weeks of peak workload and a two-week slack period.

It is recommended that the Legislature consider repealing the advance deposit requirement for the following reasons:

(a) The department requires a faithful performance bond which is sufficient to guard against ordinary losses.

(b) It would reduce the number of errors made on annual license applications with a resultant decrease in employee efforts during this busy period.

(c) It could induce more operators to become legally licensed, thereby reducing problems in field enforcement.

(d) Monthly returns could be mailed about the 1st of each month and would come back more evenly distributed throughout the the month, decreasing the peak work period.

(e) Records of hundreds of advance deposits would not have to be maintained.

8. Interest on Additional Assessments - NRS Chapter 706

NRS 706.870, subsection 1, states in part, "...Every such

additional assessment shall bear interest at the rate of 1 percent per month, or fraction thereof, from the date such additional assessment is imposed until paid."

Interest as assessed under this section cannot be assessed from the time the tax is due but only from the time the department imposes an assessment until paid. For ease in administering both NRS chapter 366 and 706 and for uniformity, it is recommended that NRS 706.870 be revised to conform with NRS 366.410 which states, "Every such additional assessment shall bear interest at the rate of 1 percent per month or fraction thereof, from the 25th day after the close of the month or months, as the case may be, for which the additional assessment is imposed until paid."

9. Statute of Limitations

Subsection 3 of NRS 706.870 provides that the department shall give a person written notice of additional assessment and that "such notice shall be served within 2 years after the additional assessment is found to be due."

Our last audit pointed out the confusion caused by this subsection. No definite statute of limitations is stated. The department, in administering NRS chapter 706, has been using as a guide NRS 366.440 which states, "Except in the case of a fraudulent report, or neglect or refusal to make a report, every notice of

additional excise tax proposed to be assessed under this chapter shall be served within 2 years after the claimed erroneous report was filed."

It is recommended, as it was in our last audit, that NRS 706.870, subsection 3, be amended to provide a definite statute of limitations.

10. Procedure for Bringing Suit

In paragraph 8, Motor Carrier Division, Administrative Procedures, it was pointed out that certain utility companies were bringing suit against the state with respect to the licensing provisions of chapter 706 of the Nevada Revised Statutes. There are no provisions in chapter 706 setting forth any procedures or requirements to be complied with prior to initiating suit against the state. Chapter 366 for instance, provides that the tax or other amount assessed must be paid before suit can be filed. In case of the utility companies there is no incentive for them to settle the matter since they still have use of funds they might not have if their suit is lost.

It is recommended that provisions similar to chapter 366 be added to chapter 706 which specifically require anyone bringing suit against the state under such chapter to first pay all amounts due before legal action can be initiated.

11. Audit Costs

Subsection 2 of NRS 706.850 states, "Every operator of vehicles

the fees for or upon which are paid pursuant to NRS 706.730 to 706.860, inclusive, shall pay the costs of an audit by the department or its duly appointed representative at the operator's home office."

The department has been charging $4.00 an hour for salaries and $2.00 per hour for per diem. As of July 1 of 1967 both of these amounts should be raised because of increased costs.

It is again recommended, as it was in our last audit, that this statute be amended to define what items should be included in arriving at the "costs of an audit."

For the fiscal year ended June 30, 1967 income from auditing operations was $61,298.42. Payroll costs and travelling expenses of the six auditors for the same period totaled $60,631.96. The pro rated share of building expense, telephone expense, cost of office supplies, equipment depreciation, automation costs and clerical costs were not included in the above figures. It is evident that the auditing operation resulted in a net loss for the year ended June 30, 1967.

It is recommended that the Legislature consider authorizing the department to charge for all audits performed, not just for those of operators licensed under NRS 706.730 to 706.860. It is also recommended that the department review its auditing procedures and the type of firms audited to see if auditing costs can be cut and if income from audits can be increased.

SUGGESTED LEGISLATION

12. Bond Requirements

In paragraph 6, Motor Carrier Division we outline the problems related to the collection of unpaid assessments. We feel that the primary cause of the losses is related to the inadequate amount of bond posted.

NRS 366.550, paragraph 1, provides that the total amount of the bond shall be fixed by the department at twice the estimated amount of the monthly tax, determined in such manner as the department shall deem proper, and may be increased or reduced by the department at any time subject to the limitations prescribed in this chapter, but the total amount of the bond shall not exceed $10,000.

It is recommended that NRS 366.550 be revised to require the department fix the bond at a minimum of $500 and it may be increased or reduced by the department at any time subject to the limitations prescribed in this chapter, but the total amount of the bond shall not exceed $10,000.

Resume

1. Implementation of Prior Recommendations

Other than those recommendations specifically noted in this audit report, most recommendations made in our prior audit report have been fully complied with. In some instances, because of changing situations, it was not feasible to implement such recommendations. In such instances we have commented appropriately where necessary.

Carson City, Nevada
October 23, 1967

Robert E. Bruce

Robert E. Bruce, C.P.A.
Acting Fiscal Analyst

NOTE: At a meeting held November 22, 1967 between the Fiscal Analyst and the Director of the Department of Motor Vehicles, agreement was reached on implementation of the foregoing recommendations with the exception of Items 8 and 11 under Suggested Legislation.

DEPARTMENT OF

MOTOR VEHICLES

PAUL LAXALT
Governor

A. W. LATTA, JR.
Director

PETER MERIALDO
Deputy Director

STATE OF NEVADA • CARSON CITY, NEVADA 89701

November 29, 1967

Mr. Robert E. Bruce, Fiscal Analyst
Legislative Counsel Bureau
Carson City, Nevada 89701

Dear Mr. Bruce:

We have reviewed the audit report of the Department of Motor Vehicles for the fiscal year ended June 30, 1966. Enclosed herewith are our comments on the subject report.

Administration Division

1. Inventory Control

Recommendation has been made that our own automation facilities be utilized for this inventory, but as the law requires there be a state inventory section in the Department of Administration, this would be a duplication of effort as it would still be necessary to report our inventory additions, charges, etc. to the Department of Administration. We do agree, however, that at this time we are unable to obtain accurate, up-to-date listings and accordingly have scheduled a meeting with the division chief of the State Inventory to see if we can iron our our problems, but if a solution cannot be reached, it may become necessary to have a duplication of effort in maintaining two sets of records - one in the Motor Vehicle Department and one in the Department of Administration.

2. Disposal of Equipment

This has been noted and NRS 333.462 through 333.468 will be followed in the future.

3. Policy and Procedural Manuals

The policy of this department has been to leave items as outlined under the discretion of the division chiefs, who in turn follow the rules in the State Administrative Manual and/or State law.

4. Regulation Filed With Secretary of State

It is the writer's opinion that this regulation control should be a duty of the Deputy Attorney General assigned to this department.

5. Forty-Eight Hour Work Week

Audit Reports Patrolmen and dispatchers are working 62 hours per year less than they are being paid for.

While this appears to be true on paper, it is not true in fact. NRS 281.100, Subsection 2, states in substance that the hours of employment shall commence when the employee takes charge of any equipment or acts as an assistant or helper to a person in charge of equipment, etc. Patrolmen take charge of equipment when they leave home to report to their duty stations; respond to accidents on assignment, and take enforcement action for violations observed. An individual will easily spend 15 minutes per day, to and from work, so engaged. On the basis of 251 working days per year, this amounts to 62.75 hours of unrecorded time per annum, In addition, patrolmen will spend two to three hours per month having maintenance performed on vehicles while off duty. This is a direct work function that has, in the past, not been recorded as overtime but given to the state gratis.

Dispatchers for several months have been required to report for duty 15 minutes prior to the actual start of their shift. This has been necessary to effect an orderly shift change through a briefing of activities which have occurred, may re-occur, etc. This time has not been recorded either. Time computed on the same basis as for patrolmen, corrects the 62-hour deficiency.

Solution

Patrolmen and dispatchers shall be credited with 9¼ hours per

working day, and time spent for vehicle maintenance shall be recorded as legitimate overtime.

6. Annual and Sick Leave Accrual

The State Personnel Department has requested an opinion of the Attorney General on this matter, and this opinion will govern our position on this matter.

7. Approval of Out-Of-State Travel

While S.A.M. does require a ten day in advance request be made for out-of-state travel, it also provides that in emergencies, the ten day rule may be waived. We do feel, however, the divisions have been lax and recent memo by the Department of Administration be complied with. At one time, a clearing house for these requests was set up with the Budget Officer, and I regret to inform this has not been complied with in all cases.

8. Reno Building Air Conditioner

As stated in the report, the department did not give written notification as required by the lease and it is doubtful if the monies mentioned can be recovered by the State.

9. Purchase Orders and Approval

The audit recommends that as responsibility for Accounts Payable is divided between the Fiscal Accounting Division and the Purchasing Section, there is a loss of control and therefore, they recommend the Purchasing Section process all invoices and obtain the necessary approval by the divisions. This writer concurs in this recommendation. If the Accounts Payable section was under the same division as the Purchasing Section, rules and procedure could be unified that would cover all situations with respect to purchase orders, direct charges, etc. This would involve the transferring of one employee from the Fiscal Accounting Division to the Purchasing Section of the Budget Division.

10. Warehouse Purchase and Direct Purchase Authorization

We concur in this recommendation that Chapter 2700 of the State Administrative Manual be adhered to and have taken steps to put this in effect. We feel that it has been followed to a great

extent since July 1, 1966, and that the number of invoices mentioned in the report did clear through the Purchasing Department and the error was in neglecting to notify same on the reference document. The responsibility change recommended in Item 9 would alleviate any and all errors in this category.

Drivers License Division

1. Proof of Insurance

We have provided an insurance binder to show proof of insurance when licensing commercial driving schools as recommended by the legislative auditors. This form contains the ten day cancellation clause and is in the process of being approved by the Deputy Attorney General.

2. Contract For Use Of Drivers License Files

The Drivers License Division feels that the State could perform the searches now being performed by a private concern efficiently and with a greater possible income. Three additional personnel would be required to start, and if these employees were directly under State jurisdiction they could be utilized in other segments of drivers license work when not actually engaged in looking up searches.

Highway Patrol Division

2. Form of Private Detective Bond

Bond form has been revised to include 30-day cancellation notice as recommended.

3. Expenses of Private Detective Licensing Board

Expenses shall be shared pro rata with DMV, as recommended.

4. Compliance with NRS 218.880 (Shell Oil)

I cannot speak for the former chief and his involvement in the Shell Oil commercial, however, sometime after the commercial had been shown on TV, the former Director of DMV summoned me to his office and advised me that he did not want the former chief representing the Patrol and the State on TV, and would like to

have the film changed to show the current chief. The former Director advised me that he would make the necessary arrangements for the change and further informed me that I would be paid for my participation in the film. Several weeks after this conversation, I was again summoned to the former Director's office, and was directed by him to be in Las Vegas on January 17, 1966, to participate in the making of the new film.

In Las Vegas, I met with a representative of Ogilvey and Mather, an advertising firm for Shell Oil, who advised me that I would have to enter a contract with them for the filming because of a union agreement with the Screen Actors Guild. This I did, and the first part of the film was redone where the chief of the Patrol is shown speaking. I feel it should be pointed out that neither myself or my predecessor mention any product, but confine our comment to a safety message which was, "Most people know speeding is dangerous." "It also happens to be expensive." "You're going to see proof of that right now." The film then showed miles per gallon at 80 m.p.h. and at a "safer speed" of 60 m.p.h.

In conclusion, I was not aware at any time that I might be in violation of any statutes; I did as directed by the appointing authority and until such time as this audit was made and report submitted, I was not told by anyone that my actions had been improper in any manner, and that any monies which may have been paid directly to me, probably, should have been paid instead to the Highway Fund.

Fiscal and Accounting

1. Interbranch Deposit Account

Our present system is working very satisfactorily and gives this division good control. There have been cases of a duplicate deposit slip and documents not arriving in this office. When a deposit on the bank statement shows outstanding in the following month we are able to put a tracer on the item.

We feel that it would be better to have these funds secured by the bank rather than to change the system. The bank is in the process of securing both the interbranch deposit account and the revolving fund.

2. Checks turned over to Collection Agency

We have written a letter (9/21/67) to the collection agency requesting a monthly accounting.

3. Fiscal year's revenue

We agree that the books should be kept open and all money in the holding accounts bearing a batch number previous to June 30 be listed by Automation as additional June business. This can also be accomplished with money deposited in the Interbranch Deposit Bank Account on or before June 30. This division has made this suggestion several times.

4. Recoveries of Automobile Insurance

We have requested Glen Falls Insurance Group to send us a current list of possible recoverable insurance losses and to keep us advised by accident and a recap and status of possible recoverables every three months.

Registration Division

1. Control of License Plates

The recommendations as outlined will be adopted by this division.

2. Decal Control

The recommendation that one employee only will handle the decals at the Reno office will be adopted.

3. Privilege Taxes on Trucks

The privilege tax assessments on trucks over 6,000 pounds unladened weight have always been a problem with this office to determine the manufacturer's retail price of the vehicles as to what the vehicle sold for when it was new. It is also nearly impossible to assess a privilege tax on the particular body that is mounted on the vehicle as in most cases the body is placed on the vehicle after registration has been completed. However, we will adopt the recommendation

that on registration certificates Forms 1 and 2 that we will provide a space for the body as well as the cab and chassis. Since our Forms 1 and 2 have been printed for 1968 the form cannot be operational until 1969.

4. Horseless Carriage Registrations

Closer attention will be paid to assure that horseless carriage plates issued and fees collected will balance. We will also notify the Horseless Carriage Club that a privilege tax will be assessed against all Horseless Carriage Vehicles as well as the license plate fee of $5.50.

5. Auto Dealers Special Drive-Away Permits

The department has interpreted the statute to be permissive: Under the existing laws covering this section, it was found that the $8.25 drive-away permit is to be sold to dealers who have sold the vehicle to nonresidents and that the purchaser was to remove the vehicle from the state immediately. In this instance, the dealer had the prerogative of assessing the $8.25 drive-away permit or, in lieu, charge the necessary sales tax and issue a Dealer's Report of Sale which would allow the person purchasing the vehicle to remove it from the state. Also the dealer had as his prerogative the option of delivering the vehicle to the state line on his dealer's plate and be exempt from the $8.25 drive-away permit or sales tax. (See California and Nevada agreement.)

Commenting on movement of vehicle in the report: If such vehicle is caused to be operated or moved on the highways of this state, the drive-away or Dealer's Report of Sale should be affixed on the vehicle. However, if transported by common carrier or convoy carrier the $8.25 convoy permit on carrier licensed vehicle would be collected by the Motor Carrier Division and the sales tax should be collected on the vehicle by the dealer.

6. Vehicle Dealer's Bond

The Attorney General's Office has been contacted and bond application will now include your recommendation.

7. Certification of a Franchised Dealership

In many instances, some of the dealers have been in business for

a long time and originally had franchised letters. This letter stays in effect until revoked. We have some dealers who have been in the car business for over 40 years. We will correct the one missing certification.

8. Salesmen Licensing

Nevada licensed vehicle salesmen consist of a nucleus of approximately 300-350 men who follow year by year their occupations as salesmen. Each year 20-30 of these men form their own dealerships. The balance of the sales force in the State of Nevada is by new recruitment, reinstatement or intermittently employed salesmen who also work at other lines of endeavor.

Many of these salesmen do notify this office promptly of any change in their status, but because of the transient nature (out-of-state moves, entering other employment, etc.) of a great number of these salesmen, it would be next to impossible to keep an accurate and up-to-date record of address. Responsibility for notifying this office of terminations and transfers has been delegated to the employing dealer and salesmen. To date, over 200 terminations and transfers have been recorded and processed in this office for the calendar year 1967. Periodic checks are made of dealerships to assure compliance with this requirement. Recent additional personnel in the dealer section will maintain closer control of the sales force.

9. Exemption Certificates

Your recommendation will be strictly enforced and all certifications will be completed in full before plates will be issued. We will notify the Highway Patrol and law enforcement agencies throughout the State that the words "For Official Use Only" be permanently and legibly affixed to each side of an exempt vehicle.

10. Receipts for License Plates, Decals and Permits

The recommendations as outlined will be put into force.

11. Privilege Tax Penalties

This is departmental policy and the registration division cannot control the disbursement of privilege tax penalties as outlined in your report.

12. Bonding

As good business procedure, we will request a bond from the AAA Nevada Division of the California State Auto Association who handle registrations for us in Reno and Las Vegas.

Motor Carrier Division

2. Interest on Additional Assessment, NRS Chapter 366

We have worked out a method of applying the interest on a monthly basis using the sample audit system and request your approval. (The proposed method meets with the approval of the Fiscal Analyst.)

3. Addition of Penalties and Interest on Installment Payments

A 10% penalty will be added to those assessments not fully paid when they become final for which approval is granted for payment on the installment plan.

5. Collection of Unpaid Assessments

The majority of the businesses with outstanding amounts owing to the State for 180 days or more are out-of-state firms over whom it is virtually impossible to gain jurisdiction in order to effect judgment. Many of these businesses are bankrupt or on the verge of bankruptcy or have merely gone out of business long before any action could be taken against them. To hire an out-of-state attorney in the firms' home state to prosecute would (1) be economically unsound in view of the limited assets of the business and (2) has been against the general policy of the Attorney General in hiring out-of-state counsel. The only way the Department has been able to collect on these outstanding assessments is to place a lien on any property found within the State. We, of course, have no jurisdiction over property situated wholly in another state and although this may appear passive, we have no recourse other than to wait until we are able to find property belonging to the company situate within the State of Nevada. The recommendation to turn accounts over to the Attorney General's Office within 90 days would of course, be subject to the same general problems, namely lack of jurisdiction and lack of assets.

6. Motor Carrier Licensing of Utility Companies

It should be stated at this time that the cases mentioned in Motor Carrier Division, Section 6, took place prior to the present administration's tenure and the policy followed was that of the prior administration. The audit alludes to agreements reached between the former Governor and Department of Motor Vehicles. Since all of the parties to any such agreements have since departed office and State service, I do not feel that I can answer the charges made in Section 6.

7. Improper Refund

It should be stated at this time that the cases mentioned in Motor Carrier Division, Section 7, took place prior to the present administration's tenure and the policy followed was that of the prior administration. The audit alludes to agreements reached between the former Governor and Department of Motor Vehicles. Since all of the parties to any such agreements have since departed office and State service, I do not feel that I can answer the charges made in Section 7.

The statement of facts on the eleven citations is correct; the one point not stated being that both the District Attorney's Office in Las Vegas and the Attorney General's representative for the department both stated that the citations were issued in error. The District Attorney from Clark County refused to issue formal complaints for the violation, therefore prosecution of the charges were not allowed, and the case never came to trial.

Suggested Legislation
Motor Carrier Division

8. Interest on Additional Assessments - NRS Chapter 706

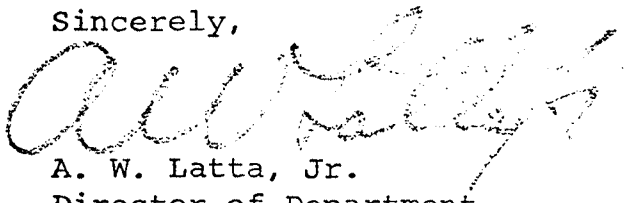
I agree that the section in 366 and 706 should have the same wording when dealing with the assessment of additional interest. I disagree with the recommendation of the legislative audit. NRS 706.870, subsection 1. "If the department is not satisfied with the records, statements or amount of fees paid by a person, pursuant to the provisions of NRS 706.010 to 706.860 inclusive, it may make an additional assessment of fees due from such person based upon any information available to it. Every such additional assessment shall bear interest at the rate of 1 percent per month,

or fraction thereof, from the date such additional assessment is imposed until paid." My recommendation is that 366.410 be changed to read the same as 706.870-1. The application of interest in this manner simplifies the audit procedure, if it is felt that the interest rate is too low, I would recommend that the rate be raised to an appropriate level.

11. Audit Costs

I disagree with the policy recommended in this section. First it is felt by most administrators within the compact agreement that the audit charges should be dropped, not increased. The figures listed in section 12 show only the net gain from audit which is improper; the total error found should be used in this instance. It is not a proper base for an audit program if you are forced to consider only the dollar gained from additional assessment. The audit supposedly covered a period ending June 30, 1966, yet in this section, you have based your figures and recommendations on figures taken from July 1, 1966, to June 30, 1967. It is recommended that your suggested legislation, Item 12, Audit Costs, be removed as it covers a period outside of the audit period.

Sincerely,



A. W. Latta, Jr.
Director of Department
of Motor Vehicles

STATE OF NEVADA

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION

HEALTH DIVISION

AUDIT REPORT

For the Fiscal Year Ended June 30, 1966

LEGISLATIVE COUNSEL BUREAU
ROBERT E. BRUCE, 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 Health of the Department of Health, Welfare and Rehabilitation for the fiscal year ended June 30, 1966, and have prepared therefrom the following exhibits and related schedules:

Statements of Basis for Appropriation Compared With Actual Receipts and Expenditures, for the Fiscal Year Ended June 30, 1966:

Vital Statistics.....Exhibit A

Tuberculosis Mobile Unit.....Exhibit B

Statements of Basis for Appropriation and Authorization Compared With Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1966:

Crippled Children's Services and Maternal and Child Health.....Exhibit C

Dental Health.....Exhibit D

Tuberculosis Care.....Exhibit E

Preventive Medical Services.....Exhibit F

Hospital Services.....Exhibit G

Special Children's Clinic.....Exhibit H

Environmental Health.....Exhibit I

Statements of Basis for Authorization Compared With Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1966:

Venereal Disease Control.....Exhibit J

Chronic Illness.....Exhibit K

Statements of Receipts and Expenditures for
the Fiscal Year Ended June 30, 1966:

Milk Testers Licenses Fund.....Schedule 1

Silicosis Program Fund.....Schedule 2

Hospital Licensure Administration Fund.....Schedule 3

Tuberculosis Follow-Up Fund.....Schedule 4

Armed Forces Medical Rejectee Program Fund.....Schedule 5

Milk Inspection Revolving Fund.....Schedule 6

Medicare Certification Fund.....Schedule 7

State Public Hospital Construction Fund.....Schedule 8

Juvenile Delinquency Fund.....Schedule 9

Indian Health Fund.....Schedule 10

Chronic Illness Social Security Fund.....Schedule 11

Title V - Part 1 - Maternal and Child Health
Social Security Fund.....Schedule 12

Title V - Part 2 - Crippled Children's
Services Social Security Fund.....Schedule 13

Cancer Control Social Security Fund.....Schedule 14

Venereal Disease Social Security Fund.....Schedule 15

Tuberculosis Control Social Security Fund.....Schedule 16

Heart Disease Social Security Fund.....Schedule 17

General Health Social Security Fund.....Schedule 18

Water Pollution Social Security Fund.....Schedule 19

Indian Dental Care Social Security Fund.....Schedule 20

Juvenile Delinquency Social Security Fund.....Schedule 21

Radiological Health Social Security Fund.....Schedule 22

Florescent Antibody Social Security Fund.....Schedule 23

Dental Health Social Security Fund.....Schedule 24

Medical Rejectee Social Security Fund.....Schedule 25

Medicare Certification Social Security Fund.....Schedule 26

T.B. Follow-Up Social Security Fund.....Schedule 27

Home Health Services Social Security Fund.....Schedule 28

U.S. Public Health Service Hospital Construction Fund.....Schedule 29

Mental Health Control Social Security Fund.....Schedule 30

Vital Statistics Fees Fund.....Schedule 31

Miscellaneous Sales, Refund, and Rebate Fund.....Schedule 32

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 auditing procedures as we considered necessary in the circumstances.

Opinion

In our opinion, the accompanying statements of receipts and expenditures for the Health Division of the Department of Health, Welfare, and Rehabilitation, present fairly the results of its operation 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
December 1, 1967

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

EXHIBIT A

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
VITAL STATISTICS
STATEMENT OF BASIS FOR APPROPRIATION COMPARED
WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriations	$36,545.00	$36,545.00	$ ---
Salary Adjustment	1,788.00	1,788.00	---
Total Receipts	$38,333.00	$38,333.00	$ ---
Expenditures:			
Payroll Costs:			
Salaries	$28,545.00	$28,275.84	$ (269.16)
Industrial Insurance	152.00	156.80	4.80
Retirement	1,556.00	1,584.78	28.78
Personnel Assessment	250.00	250.00	---
Group Insurance	180.00	117.00	(63.00)
Total Payroll Costs	$30,683.00	$30,384.42	$ (298.58)
Travel:			
Out-of-State	$ 100.00	$ 46.00	$ (54.00)
In-State	400.00	211.20	(188.80)
Total Travel	$ 500.00	$ 257.20	$ (242.80)
Operating:			
Office Supplies	$ 300.00	$ 569.74	$ 269.74
Postage and Freight	1,500.00	662.43	(837.57)
Telephone - Combined	350.00	456.94	106.94
Printing	1,400.00	1,712.50	312.50
Equipment Rental	1,400.00	1,356.00	(44.00)
Lab and Technical Supplies	1,750.00	264.37	(1,485.63)
Insurance and Bond Premiums	---	33.02	33.02
Dues and Registrations	---	17.50	17.50
Other Equipment Repair	---	35.00	35.00
Total Operating	$ 6,700.00	$ 5,107.50	$(1,592.50)
Equipment:			
Office Equipment	$ 450.00	$ 423.11	$ (26.89)
Total Expenditures	$38,333.00	$36,172.23	$(2,160.77)
Reverted to General Fund June 30, 1966		$ 2,160.77	

EXHIBIT B

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
TUBERCULOSIS MOBILE UNIT
STATEMENT OF BASIS FOR APPROPRIATION COMPARED
WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriations	$28,241.00	$28,241.00	$ ---
Salary Adjustment	242.00	242.00	---
Total Receipts	$28,483.00	$28,483.00	---
Expenditures:			
Payroll Costs:			
Salaries	$10,130.00	$ 8,578.36	$(1,551.64)
Industrial Insurance	55.00	47.45	(7.55)
Retirement	576.00	499.36	(76.64)
Personnel Assessment	100.00	100.00	---
Group Insurance	72.00	24.00	(48.00)
Total Payroll Costs	$10,933.00	$ 9,249.17	$(1,683.83)
Travel:			
In-State	$ 9,600.00	$ 5,532.70	$(4,067.30)
Operating:			
Office Supplies	$ ---	$ 2.02	$ 2.02
Postage and Freight	750.00	300.00	(450.00)
Bonds and Insurance Premiums	1,600.00	512.11	(1,087.89)
Equipment Repair - Other	100.00	1,169.83	1,069.83
Truck Operation	1,600.00	2,768.87	1,168.87
Technical Supplies	3,000.00	534.45	(2,465.55)
Total Operating	$ 7,050.00	$ 5,287.28	$(1,762.72)
Equipment:			
Other Furniture and Equipment	$ 900.00	$ ---	$ (900.00)
Total Expenditures	$28,483.00	$20,069.15	$(8,413.85)
Reverted to General Fund June 30, 1966		$ 8,413.85	

EXHIBIT C

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
CRIPPLED CHILDREN'S SERVICES AND MATERNAL AND CHILD HEALTH
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriations	$150,054.00	$150,054.00	$ ---
Salary Adjustment	2,108.00	2,108.00	---
Authorizations -			
Federal Funds	224,800.00	244,264.35	19,464.35
Insurance Reimb. and Donations	10,000.00	28,066.00	18,066.00
Total Receipts	$386,962.00	$424,492.35	$37,530.35
Expenditures:			
Payroll Costs:			
Salaries	$ 72,968.00	$ 71,996.09	$ (971.91)
Industrial Insurance	397.00	393.11	(3.89)
Retirement	4,103.00	3,920.97	(182.03)
Personnel Assessment	400.00	400.00	---
Group Insurance	288.00	105.00	(183.00)
Total Payroll Costs	$ 78,156.00	$ 76,815.17	$(1,340.83)
Travel:			
Out-of-State	$ 626.00	$ 580.70	$ (45.30)
In-State	5,225.00	3,538.71	(1,686.29)
Total Travel	$ 5,851.00	$ 4,119.41	$(1,731.59)
Operating:			
Office Supplies	$ 750.00	$ 327.32	$ (422.68)
Postage and Freight	1,200.00	534.40	(665.60)
Telephone - Combined	1,710.00	1,655.13	(54.87)
Printing - Combined	700.00	418.33	(281.67)
Dues and Registration	---	402.74	402.74
Other Equipment Repair	---	372.20	372.20
Building Rent	1,600.00	1,080.00	(520.00)
Power	1,000.00	206.91	(793.09)
Medical and Dental Supplies	8,500.00	6,687.42	(1,812.58)
Professional Services	2,500.00	1,520.00	(980.00)
Lab. and Technical Supplies	2,500.00	1,540.00	(960.00)
Total Operating	$ 20,460.00	$ 14,744.45	$(5,715.55)
Equipment:			
Office Equipment	$ ---	$ 411.07	$ 411.07
Other Furniture and Equipment	1,495.00	1,704.65	209.65
Total Equipment	$ 1,495.00	$ 2,115.72	$ 620.72

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
CRIPPLED CHILDREN'S SERVICES AND MATERNAL AND CHILD HEALTH
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Expenditures (cont.):			
Medical Care	$205,000.00	$257,609.31	$ 52,609.31
Washoe Maternity Care	$ 30,000.00	$ 30,538.76	$ 538.76
Birth Control	$ 46,000.00	$ 17,943.01	$(28,056.99)
Total Expenditures	$386,962.00	$403,885.83	$ 16,923.83
Reverted to General Fund June 30, 1966		$ 20,606.52	

EXHIBIT D

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
DENTAL HEALTH
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriations	$ 66,932.00	$ 66,932.00	$ ---
Salary Adjustment	6,748.00	6,748.00	---
Authorization - Federal Funds	37,400.00	45,395.19	7,995.19
Total Receipts	$111,080.00	$119,075.19	$ 7,995.19
Expenditures:			
Payroll Costs:			
Salaries	$ 79,430.00	$ 73,832.10	$(5,597.90)
Industrial Insurance	407.00	450.26	43.26
Retirement	4,208.00	4,270.98	62.98
Personnel Assessment	400.00	400.00	---
Group Insurance	288.00	141.00	(147.00)
Total Payroll Costs	$ 84,733.00	$ 79,094.34	$(5,638.66)
Travel:			
Out-of-State	$ 427.00	$ 427.00	$ ---
In-State	5,800.00	2,514.63	(3,285.37)
Total Travel	$ 6,227.00	$ 2,941.63	$(3,285.37)
Operating:			
Office Supplies	$ 175.00	$ 121.08	$ (53.92)
Postage and Freight	190.00	200.32	10.32
Telephone - Combined	590.00	770.67	180.67
Printing - Combined	100.00	---	(100.00)
Dues and Registrations	---	25.00	25.00
Insurance and Bond Premiums	---	208.20	208.20
Other Equipment - Repair	---	144.35	144.35
Office Equipment Repair	35.00	---	(35.00)
Building Rent	1,500.00	1,800.00	300.00
Heat	250.00	362.13	112.13
Medical - Dental Supplies	5,000.00	3,518.60	(1,481.40)
Professional Services	9,000.00	11,464.25	2,464.25
Total Operating	$ 16,840.00	$ 18,614.60	$ 1,774.60
Equipment:			
Automobiles	$ 2,515.00	$ 2,474.01	$ (40.99)
Office Furniture	165.00	---	(165.00)
Office Equipment	225.00	232.91	7.91
Other Furniture and Equipment	375.00	5,272.81	4,897.81
Total Equipment	$ 3,280.00	$ 7,979.73	$ 4,699.73

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
DENTAL HEALTH
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Expenditures (cont.):			
Total Expenditures	$111,080.00	$108,630.30	$(2,449.70)
Reverted to General Fund June 30, 1966		$ 10,444.89	

EXHIBIT E

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
TUBERCULOSIS CARE
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriations	$324,305.00	$324,305.00	$ ---
Salary Adjustment	4,302.00	4,302.00	---
Authorization - AB 354	---	120,000.00	120,000.00
Total Receipts	$328,607.00	$448,607.00	$120,000.00
Expenditures:			
Payroll Costs:			
Salaries	$ 43,582.00	$ 40,760.10	$ (2,821.90)
Industrial Insurance	220.00	226.18	6.18
Retirement	2,277.00	2,360.77	83.77
Personnel Assessment	250.00	250.00	---
Group Insurance	180.00	129.00	(51.00)
Total Payroll Costs	$ 46,509.00	$ 43,726.05	$ (2,782.95)
Travel:			
Out-of-State	$ 484.00	$ 104.35	$ (379.65)
In-State	4,100.00	3,358.28	(741.72)
Total Travel	$ 4,584.00	$ 3,462.63	$ (1,121.37)
Operating:			
Office Supplies	$ 900.00	$ 429.72	$ (470.28)
Postage and Freight	1,450.00	1,626.55	176.55
Telephone - Combined	1,100.00	1,424.92	324.92
Printing - Combined	950.00	321.53	(628.47)
Equipment Repair - Other	200.00	184.20	(15.80)
Building Space Rental	1,400.00	1,632.00	232.00
Building Maintenance	1,500.00	---	(1,500.00)
Lab. & Technical Supplies	5,250.00	3,261.08	(1,988.92)
Heat	---	372.58	372.58
Power	---	100.00	100.00
Total Operating	$ 12,750.00	$ 9,352.58	$ (3,397.42)
Equipment:			
Office Furniture	$ 280.00	$ 173.13	$ (106.87)
Office Equipment	335.00	99.06	(235.94)
Total Equipment	$ 615.00	$ 272.19	$ (342.81)
Medical Care and Drugs	$ 34,200.00	$ 31,684.73	$ (2,515.27)
Institutional Care Payments	$229,949.00	$269,239.23	$ 39,290.23
Total Expenditures	$328,607.00	$357,737.41	$ 29,130.41
Reverted to General Fund June 30, 1966		$ 90,869.59	

EXHIBIT F

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
PREVENTIVE MEDICAL SERVICES
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriations	$149,033.00	$149,033.00	$ ---
Salary Adjustment	5,892.00	5,892.00	---
Authorizations -			
Federal Funds	144,500.00	152,713.40	8,213.40
County Participation	42,000.00	39,645.00	(2,355.00)
Board of Examiners - Note No. 1	---	687.00	687.00
Total Receipts	$341,425.00	$347,970.40	$ 6,545.40
Expenditures:			
Payroll Costs:			
Salaries	$204,431.00	$198,932.98	$(5,498.02)
Industrial Insurance	1,112.00	1,352.27	240.27
Retirement	11,459.00	11,386.91	(72.09)
Personnel Assessment	1,325.00	1,325.00	---
Group Insurance	954.00	585.00	(369.00)
Total Payroll Costs	$219,281.00	$213,582.16	$(5,698.84)
Travel:			
Out-of-State	$ 1,432.00	$ 1,094.65	$ (337.35)
In-State	27,000.00	19,325.52	(7,674.48)
Total Travel	$ 28,432.00	$ 20,420.17	$(8,011.83)
Operating:			
Office Supplies	$ 2,400.00	$ 2,224.50	$ (175.50)
Postage and Freight	2,750.00	1,773.47	(976.53)
Telephone - Combined	3,000.00	2,748.61	(251.39)
Printing - Combined	2,700.00	2,186.30	(513.70)
Subscriptions and Ref. Manuals	1,000.00	594.75	(405.25)
Bonds and Insurance Premiums	430.00	409.01	(20.99)
Equipment Repair - Other	450.00	109.23	(340.77)
Building Space Rental	6,000.00	3,168.00	(2,832.00)
Heat	1,000.00	629.53	(370.47)
Medical and Dental Care	1,800.00	569.24	(1,230.76)
Professional Services	2,000.00	1,300.00	(700.00)
Technical Supplies	1,500.00	1,000.00	(500.00)
Total Operating	$ 25,030.00	$ 16,712.64	$(8,317.36)

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
PREVENTIVE MEDICAL SERVICES
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Expenditures (cont.):			
Equipment:			
Automobiles	$ 2,202.00	$ 1,980.51	$ (221.49)
Office Furniture	215.00	590.92	375.92
Office Equipment	865.00	679.88	(185.12)
Other Furniture and Equipment	400.00	646.99	246.99
Total Equipment	$ 3,682.00	$ 3,898.30	$ 216.30
Aid to Counties	$ 65,000.00	$ 79,666.42	$14,666.42
Total Expenditures	$341,425.00	$334,279.69	$(7,145.31)
Reverted to General Fund June 30, 1966		$ 13,690.71	

Note No. 1:
Amount of reversion is $687.00 higher than shown on the Contoller's records. This was caused by a $687.00 authorization from the Board of Examiners, which was never posted to the Controller's records.

EXHIBIT G

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
HOSPITAL SERVICES
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriations	$28,680.00	$28,680.00	$ ---
Salary Adjustment	2,004.00	2,004.00	---
Authorizations -			
Hospital Licensure Fees	700.00	493.50	(206.50)
Total Receipts	$31,384.00	$31,177.50	$ (206.50)
Expenditures:			
Payroll Costs:			
Salaries	$24,224.00	$16,241.96	$(7,982.04)
Industrial Insurance	124.00	446.35	322.35
Retirement	1,288.00	820.14	(467.86)
Personnel Assessment	150.00	150.00	---
Group Insurance	108.00	36.00	(72.00)
Total Payroll Costs	$25,894.00	$17,694.45	$(8,199.55)
Travel:			
Out-of-State	$ 425.00	$ 250.95	$ (174.05)
In-State	3,250.00	2,641.21	(608.79)
Total Travel	$ 3,675.00	$ 2,892.16	$ (782.84)
Operating:			
Office Supplies	$ 400.00	$ 199.64	$ (200.36)
Postage and Freight	200.00	106.05	(93.95)
Telephone - Combined	400.00	612.22	212.22
Printing - Combined	200.00	123.48	(76.52)
Subscriptions and Ref. Manuals	---	6.60	6.60
Insurance and Bond Premiums	---	19.81	19.81
Technical Supplies	---	101.75	101.75
Total Operating	$ 1,200.00	$ 1,169.55	$ (30.45)
Equipment:			
Office Furniture	$ 165.00	$ 150.00	$ (15.00)
Other Furniture and Equipment	450.00	272.95	(177.05)
Total Equipment	$ 615.00	$ 422.95	$ (192.05)
Total Expenditures	$31,384.00	$22,179.11	$(9,204.89)
Reverted to General Fund June 30, 1966		$ 8,998.39	

EXHIBIT H

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
SPECIAL CHILDREN'S CLINIC
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriation	$26,473.00	$26,473.00	$ ---
Salary Adjustment	1,409.00	1,409.00	---
Authorizations -			
Federal Funds	62,000.00	54,283.00	(7,717.00)
City and County Participation	10,000.00	11,031.00	1,031.00
Total Receipts	$99,882.00	$93,196.00	$(6,686.00)
Expenditures:			
Payroll Costs:			
Salaries	$60,267.00	$56,359.16	$(3,907.84)
Industrial Insurance	329.00	312.94	(16.06)
Retirement	3,414.00	3,263.30	(150.70)
Personnel Assessment	350.00	350.00	---
Group Insurance	252.00	69.00	(183.00)
Total Payroll Costs	$64,612.00	$60,354.40	$(4,257.60)
Travel:			
Out-of-State	$ 375.00	$ 115.62	$ (259.38)
In-State	600.00	312.50	(287.50)
Total Travel	$ 975.00	$ 428.12	$ (546.88)
Operating:			
Office Supplies	$ 1,000.00	$ 638.13	$ (361.87)
Postage and Freight	300.00	262.70	(37.30)
Telephone - Combined	2,050.00	1,780.44	(269.56)
Printing - Combined	75.00	62.68	(12.32)
Dues and Registration	---	106.75	106.75
Insurance and Bonds Premiums	---	46.23	46.23
Other Equipment Repair	---	36.10	36.10
Building Rent	2,000.00	2,000.00	---
Heat	---	155.31	155.31
Power	800.00	---	(800.00)
Professional Services	19,000.00	13,660.62	(5,339.38)
Project Supplies	1,000.00	865.31	(134.69)
Total Operating	$26,225.00	$19,614.27	$(6,610.73)
Equipment:			
Other Furniture and Equipment	$ 70.00	$ ---	$ (70.00)

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
SPECIAL CHILDREN'S CLINIC
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Expenditures (cont.):			
Special Nursing Services	$ 8,000.00	$ 9,100.00	$ 1,100.00
Total Expenditures	$99,882.00	$89,496.79	$(10,385.21)
Reverted to General Fund June 30, 1966		$ 3,699.21	

EXHIBIT I

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
ENVIRONMENTAL HEALTH
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriation	$266,319.00	$266,319.00	$ ---
Salary Adjustment	10,989.00	10,989.00	---
Authorizations - Federal Funds	56,000.00	53,629.98	(2,370.02)
Hospital Licensure Fees	---	167.20	167.20
Total Receipts	$333,308.00	$331,105.18	$ (2,202.82)
Expenditures:			
Payroll Costs:			
Salaries	$236,169.00	$197,864.94	$(38,304.06)
Industrial Insurance	1,261.00	1,164.86	(96.14)
Retirement	13,068.00	11,152.06	(1,915.94)
Personnel Assessment	1,663.00	1,663.00	---
Group Insurance	1,197.00	606.00	(591.00)
Total Payroll Costs	$253,358.00	$212,450.86	$(40,907.14)
Travel:			
Out-of-State	$ 1,000.00	$ 914.38	$ (85.62)
In-State	17,000.00	17,115.54	115.54
Total Travel	$ 18,000.00	$ 18,029.92	$ 29.92
Operating:			
Office Supplies	$ 1,500.00	$ 1,015.08	$ (484.92)
Postage and Freight	2,800.00	2,055.75	(744.25)
Telephone - Combined	3,575.00	4,260.23	685.23
Printing - Combined	3,000.00	1,395.95	(1,604.05)
Dues and Registration	200.00	438.50	238.50
Contract Services	325.00	---	(325.00)
Building Space Rental	15,000.00	12,128.52	(2,871.48)
Power	2,750.00	700.28	(2,049.72)
Lab and Technical Supplies	18,000.00	16,133.32	(1,866.68)
Radiation Health	700.00	650.00	(50.00)
Raw Material Purchases	250.00	235.00	(15.00)
Insurance and Bond Premiums	---	204.74	204.74
Office Equipment Repair	---	252.09	252.09
Heat	---	3,000.00	3,000.00
Total Operating	$ 48,100.00	$ 42,469.46	$ (5,630.54)
Equipment:			
Office Furniture	$ 600.00	$ 618.84	$ 18.84
Office Equipment	1,500.00	2,299.80	799.80
Other Furniture and Equipment	11,750.00	10,226.09	(1,523.91)
Total Equipment	$ 13,850.00	$ 13,144.73	$ (705.27)

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
ENVIRONMENTAL HEALTH
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Appropriation & Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Expenditures (cont.):			
Contract Services	$ ---	$ 8,600.00	$ 8,600.00
Total Expenditures	$333,308.00	$294,694.97	$(38,613.03)
Reverted to General Fund June 30, 1966		$ 36,410.21	

EXHIBIT J

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
VENEREAL DISEASE CONTROL
STATEMENT OF BASIS FOR AUTHORIZATION COMPARED
WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Balance July 1, 1965	$ ---	$ 21.25	$ 21.25
Receipts:			
Authorization - Federal Funds	$22,075.00	$18,838.26	$(3,236.74)
Total Funds Available	$22,075.00	$18,859.51	$(3,215.49)
Expenditures:			
Payroll Costs:			
Salaries	$ 4,440.00	$ 4,634.10	$ 194.10
Industrial Insurance	25.00	78.77	53.77
Retirement	259.00	270.37	11.37
Personnel Assessment	50.00	50.00	---
Group Insurance	36.00	9.00	(27.00)
Total Payroll Costs	$ 4,810.00	$ 5,042.24	$ 232.24
Travel:			
Out-of-State	$ 1,065.00	$ ---	$(1,065.00)
In-State	4,000.00	2,990.76	(1,009.24)
Total Travel	$ 5,065.00	$ 2,990.76	$(2,074.24)
Operating:			
Office Supplies	$ 100.00	$ 61.45	$ (38.55)
Postage and Freight	700.00	100.00	(600.00)
Telephone - Combined	400.00	825.00	425.00
Printing - Combined	---	58.32	58.32
Project Supplies	1,000.00	837.00	(163.00)
Total Operating	$ 2,200.00	$ 1,881.77	$ (318.23)
Aid to Local Units	$10,000.00	$ 8,923.49	$(1,076.51)
Total Expenditures	$22,075.00	$18,838.26	$(3,236.74)
Balance Forward June 30, 1966		$ 21.25	

EXHIBIT K

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
CHRONIC ILLNESS
STATEMENT OF BASIS FOR AUTHORIZATION COMPARED
WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Balance July 1, 1965	$ ---	$ 50.00	$ 50.00
Receipts:			
Authorizations			
Federal Funds	$60,817.00	$32,719.00	$(28,098.00)
County Contributions	---	7,818.73	7,818.73
Total Funds Available	$60,817.00	$40,587.73	$(20,229.27)
Expenditures:			
Payroll Costs:			
Salaries	$29,160.00	$14,072.00	$(15,088.00)
Industrial Insurance	163.00	76.59	(86.41)
Retirement	1,694.00	815.15	(878.85)
Personnel Assessment	250.00	250.00	---
Group Insurance	180.00	60.00	(120.00)
Total Payroll Costs	$31,447.00	$15,273.74	$(16,173.26)
Travel:			
Out-of-State	$ 90.00	$ 72.75	$ (17.25)
In-State	5,000.00	3,121.62	(1,878.38)
Total Travel	$ 5,090.00	$ 3,194.37	$ (1,895.63)
Operating:			
Office Supplies	$ 200.00	$ ---	$ (200.00)
Postage and Freight	300.00	66.70	(233.30)
Telephone-Combined	700.00	488.25	(211.75)
Printing-Combined	150.00	---	(150.00)
Subscriptions & Ref. Manuals	---	41.00	41.00
Insurance and Bond Premiums	330.00	118.21	(211.79)
Building Space Rental	800.00	1,120.00	320.00
Building Maintenance	1,000.00	---	(1,000.00)
Technical Supplies	800.00	106.14	(693.86)
Total Operating	$ 4,280.00	$ 1,940.30	$ (2,339.70)
Aid to Counties	$20,000.00	$ 2,859.47	$(17,140.53)
Homemakers Services	$ ---	$17,269.85	$ 17,269.85
Total Expenditures	$60,817.00	$40,537.73	$(20,279.27)
Balance Carried Forward June 30, 1966		$ 50.00	

SCHEDULE 1

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
MILK TESTERS LICENSES FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ --
Receipts:	
Revenue:	
License Fees	$110.00
Total Funds Available	$110.00
Expenditures:	$ --
Transfer to Other Funds:	
General Fund	$110.00
Total Expenditures and Transfers	$110.00
Balance, June 30, 1966	$ --

SCHEDULE 2

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
SILICOSIS PROGRAM FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$178,970.50
Receipts:	$ ---
Total Funds Available	$178,970.50
Expenditures:	
Patient Payments	$ 41,383.78
Balance, June 30, 1966	$137,586.72

SCHEDULE 3

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
HOSPITAL LICENSURE ADMINISTRATION FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 194.03
Receipts:	
Revenues:	
Hospital License Fees	$ 830.00
Total Funds Available	$1,024.03
Expenditures	$ ---
Transfer to Other Funds:	
Hospital Services Fund	$ 493.50
Environmental Health Fund	167.20
Total Transfers	$ 660.70
Total Expenditures and Transfers	$ 660.70
Balance, June 30, 1966	$ 363.33

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
TUBERCULOSIS FOLLOW-UP FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ ---
Receipts:	
Federal Funds	$15,887.91
Total Funds Available	$15,887.91
Expenditures:	
Payroll Costs:	
Salaries	$ 4,310.24
Industrial Insurance	25.77
Retirement	250.56
Group Insurance	12.00
Total Payroll Costs	$ 4,598.57
Travel:	
Out-of-State	$ 286.00
In-State	789.88
Total Travel	$ 1,075.88
Operating:	
Office Supplies	$ 351.28
Telephone - Combined	88.20
Printing - Combined	30.91
Technical Supplies	4,636.27
Total Operating	$ 5,106.66
Equipment:	
Office Furniture	$ 1,917.92
Office Equipment	2,202.36
Other Furniture and Equipment	986.52
Total Equipment	$ 5,106.80
Total Expenditures	$15,887.91
Balance, June 30, 1966	$ -0-

SCHEDULE 5

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
ARMED FORCES MEDICAL REJECTEE PROGRAM FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ ---
Receipts:	
Federal Funds	$9,626.19
Total Funds Available	$9,626.19
Expenditures:	
Payroll Costs:	
Salaries	$6,065.87
Industrial Insurance	33.64
Retirement	352.43
Personnel Assessment	50.00
Total Payroll Costs	$6,501.94
Travel:	
Out-of-State	$ 217.35
In-State	204.62
Total Travel	$ 421.97
Operating:	
Office Supplies	$ 188.71
Postage and Freight	100.00
Telephone - Combined	192.60
Building Rent	480.00
Power	18.81
Technical Supplies	57.16
Total Operating	$1,037.28
Aid to Counties	$1,665.00
Total Expenditures	$9,626.19
Balance, June 30, 1966	$ -0-

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
MILK INSPECTION REVOLVING FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$5,242.00
Receipts:	
Revenue:	
Inspection Reimbursement	$ 208.28
Total Funds Available	$5,450.28
Expenditures:	
Travel:	
Out-of-State	$ 240.94
Total Expenditures	$ 240.94
Balance, June 30, 1966	$5,209.34

SCHEDULE 7

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
MEDICARE CERTIFICATION FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ ---
Receipts:	
Federal Funds	$13,850.98
Total Funds Available	$13,850.98
Expenditures:	
Payroll Costs:	
Salaries	$ 8,317.48
Industrial Insurance	45.74
Retirement	482.73
Total Payroll Costs	$ 8,845.95
Travel:	
Out-of-State	$ 182.60
In-State	1,323.59
Total Travel	$ 1,506.19
Operating:	
Office Supplies	$ 398.91
Postage and Freight	19.53
Telephone - Combined	348.37
Printing - Combined	22.95
Dues and Registrations	24.00
Other Equipment - Repair	3.04
Technical Supplies	52.90
Total Operating	$ 869.70
Equipment:	
Office Furniture	$ 1,013.60
Office Equipment	1,615.54
Total Equipment	$ 2,629.14
Total Expenditures	$13,850.98
Balance, June 30, 1966	$ -0-

SCHEDULE 8

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
STATE PUBLIC HOSPITAL CONSTRUCTION FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$385,000.00
Receipts:	$ ---
Total Funds Available	$385,000.00
Expenditures:	
Assistance Grants - Note No. 1	$ 16,490.50
Total Expenditures	$ 16,490.50
Balance Carried Forward June 30, 1966	$368,509.50

Note No. 1
Expenditures to Eureka County -
Board of Commissioners
NRS 449.400 through 449.430

SCHEDULE 9

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
JUVENILE DELINQUENCY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$116.25
Receipts:	$ --
Total Funds Available	$116.25
Expenditures:	$ --
Balance, June 30, 1966	$116.25

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
INDIAN HEALTH FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$26,429.30
Receipts:	
Federal Funds	$25,500.00
Total Funds Available	$51,929.30
Expenditures	$ ---
Transfers to Other Funds:	
Preventive Medical Services	$19,621.00
Crippled Children's Services and Maternal and Child Health	1,483.00
Environmental Health	5,556.00
Total Transfers	$26,660.00
Total Expenditures and Transfers	$26,660.00
Balance, June 30, 1966	$25,269.30

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
CHRONIC ILLNESS SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$26,233.64
Receipts:	
Federal Funds	$28,766.00
County Contributions	7,964.05
Total Receipts	$36,730.05
Total Funds Available	$62,963.69
Expenditures	$ ---
Transfers to Other Funds:	
Chronic Illness	$40,537.73
Preventive Medical Services	916.00
Total Transfers	$41,453.73
Total Expenditures and Transfers	$41,453.73
Balance, June 30, 1966	$21,509.96

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
TITLE V, PART I - MATERNAL AND CHILD HEALTH
SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 58,599.95
Receipts:	
Revenue:	
Insurance Reimbursements and Donations	$ 48,188.18
Federal Funds	178,040.00
Total Receipts	$226,228.18
Total Funds Available	$284,828.13
Expenditures	$ ---
Transfers to Other Funds:	
Preventive Medical Services	$ 87,625.50
Crippled Children's Services and Maternal and Child Health	62,859.27
Dental Health	34,251.25
Environmental Health	2,242.50
Special Children's Clinic	65,314.00
Total Transfers	$252,292.52
Total Expenditures and Transfers	$252,292.52
Balance, June 30, 1966	$ 32,535.61

SCHEDULE 13

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
TITLE V, PART II - CRIPPLED CHILDREN'S SERVICES
SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 48,200.60
Receipts:	
Revenues:	
Insurance Reimbursements and Donations	$ 33,835.66
Federal Funds	212,660.00
Total Receipts	$246,495.66
Total Funds Available	$294,696.26
Expenditures	$ ---
Transfers to Other Funds:	
Preventive Medical Services	$ 34,441.00
Crippled Children's Services and Maternal and Child Health	204,692.08
Dental Health	3,034.50
Environmental Health	3,139.50
Total Transfers	$245,307.08
Total Expenditures and Transfers	$245,307.08
Balance, June 30, 1966	$ 49,389.18

SCHEDULE 14

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
CANCER CONTROL SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$2,302.28
Receipts:	
Federal Funds	$6,530.00
Total Funds Available	$8,832.28
Expenditures	$ ---
Transfers to Other Funds:	
Preventive Medical Services	$6,745.20
Total Expenditures and Transfers	$6,745.20
Balance, June 30, 1966	$2,087.08

SCHEDULE 15

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
VENEREAL DISEASE SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 5,678.79
Receipts:	
Federal Funds	$16,500.00
Total Funds Available	$22,178.79
Expenditures	$ ---
Transfers to Other Funds:	
Venereal Disease Control	$18,838.26
Total Expenditures and Transfers	$18,838.26
Balance, June 30, 1966	$ 3,340.53

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
TUBERCULOSIS CONTROL SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 1,033.58
Receipts:	
Federal Funds	$11,767.00
Total Funds Available	$12,800.58
Expenditures	$ ---
Transfers to Other Funds:	
Preventive Medical Services	$ 5,402.20
Environmental Health	6,341.79
Total Transfers	$11,743.99
Total Expenditures and Transfers	$11,743.99
Balance, June 30, 1966	$ 1,056.59

SCHEDULE 17

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
HEART DISEASE SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 1,818.81
Receipts:	
Federal Funds	$15,400.00
Total Funds Available	$17,218.81
Expenditures	$ ---
Transfers to Other Funds:	
Preventive Medical Services	$10,735.65
Crippled Children's Services and Maternal and Child Health	3,296.00
Environmental Health	897.00
Total Transfers	$14,928.65
Total Expenditures and Transfers	$14,928.65
Balance, June 30, 1966	$ 2,290.16

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
GENERAL HEALTH SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 1,214.48
Receipts:	
Federal Funds	$32,386.00
Total Funds Available	$33,600.48
Expenditures:	$ ---
Transfers to Other Funds:	
Environmental Health	$18,491.19
Preventive Medical Services	$11,641.00
Total Transfers	$30,132.19
Total Expenditures and Transfers	$30,132.19
Balance, June 30, 1966	$ 3,468.29

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
WATER POLLUTION SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 835.13
Receipts:	
Federal Funds	$15,679.00
Total Funds Available	$16,514.13
Expenditures	$ ---
Transfers to Other Funds:	
Environmental Health	$14,212.00
Total Expenditures and Transfers	$14,212.00
Balance, June 30, 1966	$ 2,302.13

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
DIVISION OF HEALTH
INDIAN DENTAL CARE SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 954.00
Receipts:	
Federal Funds	$1,920.00
Total Funds Available	$2,874.00
Expenditures:	$ ---
Transfers to Other Funds:	
Dental Health	$2,080.00
Total Expenditures and Transfers	$2,080.00
Balance, June 30, 1966	$ 794.00

SCHEDULE 21

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
JUVENILE DELINQUENCY SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$44,765.70
Receipts:	$ ---
Total Funds Available	$44,765.70
Expenditures:	
U. S. Public Health Service - Reimbursement	$15,514.27
Balance, June 30, 1966	$29,251.43

SCHEDULE 22

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
RADIOLOGICAL HEALTH SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 250.00
Receipts:	
Federal Funds	$4,400.00
Total Funds Available	$4,650.00
Expenditures	$ ---
Transfers to Other Funds:	
Environmental Health	$2,750.00
Total Expenditures and Transfers	$2,750.00
Balance, June 30, 1966	$1,900.00

SCHEDULE 23

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
DIVISION OF HEALTH
FLORESCENT ANTIBODY SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$400.00
Receipts:	$ ---
Total Funds Available	$400.00
Expenditures:	$ ---
Balance, June 30, 1966	$400.00

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
DENTAL HEALTH SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 293.00
Receipts:	
Federal Funds	$12,077.00
Total Funds Available	$12,370.00
Expenditures	$ ---
Transfers to Other Funds:	
Dental Health	$ 6,029.44
Total Expenditures and Transfers	$ 6,029.44
Balance, June 30, 1966	$ 6,340.56

SCHEDULE 25

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
MEDICAL REJECTEE SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ 3.87
Receipts:	
Federal Funds	$10,463.73
Total Funds Available	$10,467.60
Expenditures	$ ---
Transfers to Other Funds:	
Armed Forces Medical Rejectee	$ 9,626.19
Total Expenditures and Transfers	$ 9,626.19
Balance, June 30, 1966	$ 841.41

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
MEDICAL CERTIFICATION SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ ---
Receipts:	
Federal Funds	$36,148.00
Total Funds Available	$36,148.00
Expenditures	$ ---
Transfers to Other Funds:	
Medicare Certification	$13,850.98
Total Expenditures and Transfers	$13,850.98
Balance, June 30, 1966	$22,297.02

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
T. B. FOLLOW-UP SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ ---
Receipts:	
Federal Funds	$15,000.00
Total Funds Available	$15,000.00
Expenditures	$ ---
Transfers to Other Funds:	
Tuberculosis Follow-Up	$15,887.91
Total Expenditures and Transfers	$15,887.91
Balance, June 30, 1966 (Deficit)	$ (887.91)

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
HOME HEALTH SERVICES SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ ---
Receipts:	
Federal Funds	$24,057.00
Total Funds Available	$24,057.00
Expenditures	$ ---
Transfers to Other Funds:	
Preventive Medical Services	$15,230.85
Total Expenditures and Transfers	$15,230.85
Balance, June 30, 1966	$ 8,826.15

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
U. S. PUBLIC HEALTH SERVICE HOSPITAL CONSTRUCTION FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ ---
Receipts:	
Federal Funds	$312,031.00
Total Funds Available	$312,031.00
Expenditures:	
Nevada Project 26 - Eureka County	$ 32,980.00
Nevada Project 24 - St. Mary's Hospital	279,051.00
Total Expenditures	$312,031.00
Balance, June 30, 1966	$ ---

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
MENTAL HEALTH CONTROL SOCIAL SECURITY FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$17,508.29
Receipts	$ ---
Total Funds Available	$17,508.29
Expenditures	$ ---
Transfers to Other Funds:	
General Fund	$ 7,124.24
Division of Mental Hygiene Social Security Fund	10,384.05
Total Transfers	$17,508.29
Total Expenditures and Transfers	$17,508.29
Balance, June 30, 1966	$ ---

SCHEDULE 31

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
VITAL STATISTICS FEES FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ ---
Receipts:	
Revenues:	
Birth and Death Certificate Fees	$21,170.18
Less: Returned Checks	33.00
Total Receipts	$21,137.18
Total Funds Available	$21,137.18
Expenditures:	
Refunds	$ 262.22
Transfers to Other Funds:	
General Fund	$20,874.96
Total Expenditures and Transfers	$21,137.18
Balance, June 30, 1966	$ ---

SCHEDULE 32

DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
HEALTH DIVISION
MISCELLANEOUS SALES, REFUND AND REBATE FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

Balance, July 1, 1965	$ ---
Receipts:	
Revenues:	
Sale of Vehicle	$ 161.70
N.I.C. Rebates	717.85
Employee Jury Duty	562.00
Miscellaneous Refund	7.00
Total Receipts	$1,448.55
Total Funds Available	$1,448.55
Expenditures	$ ---
Transfers to Other Funds:	
General Fund	$1,448.55
Total Expenditures and Transfers	$1,448.55
Balance, June 30, 1966	$ ---

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

ADMINISTRATIVE PROCEDURES

1. Internal Control Evaluation

Internal control is felt to be adequate except in processing refunds of overpayment on copies of birth and death certificates, and in recording and transmitting receipts from the sale of bicilin and lofenalac. When making refunds of overpayment on copies of birth and death certificates, reference is made to the receipt document only by the name of the person being refunded. It was found that some refunds were made to persons other than the original remitter for various legitimate reasons. It is recommended that all refund vouchers be referenced to the receipt by number as well as by name.

Bicilin and lofenalac are purchased by the division and provided to children needing it at the Reno and Las Vegas Children's Clinics. Parents are asked to pay the cost price; however, if they are financially unable to do so, no payment is required. The money collected is transmitted to the Carson City office for deposit. A letter of transmittal indicating the names of the patients and amounts paid by them is also enclosed. It is recommended that pre-numbered receipts be utilized at the clinics and that the receipt numbers covering the transmittal be indicated on the letter.

2. Accounting Manual

The Health Division does not have an accounting manual. The business manager started to compile such a manual several years ago, but the project was abandoned before completion.

We pointed out the need for this manual in our last audit report. We still feel that the complexity of the accounting functions of this agency justifies the existence of such a manual. We are also of the opinion that future federal regulations may require it as a condition of receiving funds. Therefore, we again recommend that the division compile an accounting manual as soon as possible.

3. Equipment Inventory

The Health Division does not maintain an equipment inventory. Consequently, it does not have proper control over its equipment. We were unable to determine the whereabouts of an electric adding machine and a film projector. The division is charged with five air conditioners with which it no longer has possession of nor control over. In September of 1965, the Health Division moved from the Heroes Memorial Building to its present location in the Nye Building. These air conditioners were left at the old quarters, although they are still charged to the Health Division. If the division considers this equipment to be excess, it should be disposed of or transferred in accordance with the provisions of the State Administrative Manual.

A calculator in one office was not being used because the operating instruction booklet was missing and no one knew how to operate it. It is recommended that the local manufacturer's agent of the idle machine be contacted to obtain an operating manual.

It is recommended that the division take immediate steps to obtain a complete inventory and charge its various bureaus and its personnel with the responsibility of each item of equipment.

4. Storage of Birth and Death Records

In our last audit covering the 1962-63 fiscal period, we pointed out that all birth and death records, including microfilms of original records, were stored in non-fireproof cabinets on the same floor, and we made a recommendation that the situation be corrected. These records are still being stored in non-fire resistant cabinets, although the microfilms are now stored in Reno.

We recommend that consideration be given to the acquisition of fireproof cabinets for at least the original documents, as they could not be replaced if destroyed.

5. Maintenance Funds of Mausoleums

The State Board of Health has adopted rules and regulations pertaining to mausoleums, vaults, and crypts, as provided by NRS 452.210. These rules and regulations contain a section relating to a maintenance fund which states, "The sum of money that must be deposited with the board of trustees or board of directors of the cemetery association authorized to receive the same on the building of a mausoleum must not be less than 15 percent of the cost of such structure."

NRS 452.210, subsection 2, authorized the Board of Health to adopt rules and regulations governing only the location, materials, and construction of such structures.

NRS 452.250, subsection 1, provides in part for a maintenance fund in such sum as shall be determined and fixed by the State Board of Finance.

The authorization to determine and fix a maintenance fund for this type of structure is clearly a function delegated to the State Board of Finance, and not the Board of Health. Therefore, it is recommended that the Board of Health fix or determine no further maintenance funds, and that referral of the same be made to the Board of Finance for determination as provided. It is also recommended that the Board of Health amend the aforementioned rules and regulations by eliminating the "Maintenance Fund" section.

6. Parents' Contribution to Crippled Children's Treatment

It was found that some parents of crippled children were required to pay for a portion of the child's corrective treatment costs in cash, or by reimbursement from a health and accident insurance policy carried by or for the patient.

The Nevada Revised Statutes do not authorize the crippled children's bureau to charge a fee for any portion of the cost of such treatment.

We recommend that NRS 442.180 be amended to:

1. Authorize the Health Division to recover costs for corrective treatment from non-indigent parents of patients.

2. Require the Health Division to obtain from the indigent parents, a written statement subscribed and sworn to or affirmed before a notary public, declaring that they are unable to pay for medical and hospital care.

We further recommend that if the above amendments are enacted, that the Health Division confirm all cases where insurance coverage is indicated, and that they request copies of billings submitted by vendors and records of payments made by the insurance companies.

7. Health Deficiency at State Prison

It was noted in one sanitation report that the Health Division had pointed out the dangerous practice of the Nevada State Prison serving raw unpasteurized milk to the inmates. Correspondence in the files from the prison doctor indicates that at one time, approximately 90 percent of the prison population was affected for 48 hours with gastroenteritis caused by raw milk. The doctor stated in his letter, "We were lucky that there were no deaths or serious residual. To continue to serve unpasteurized milk to the inmates is not only inviting trouble but literally begging for it."

NRS 439.170 states, "The health division shall take such measures as may be necessary to prevent the spread of sickness and disease, and shall possess all powers necessary to fulfill the duties and exercise the authority prescribed by law and to bring actions in the courts for enforcement of all health laws and lawful rules and regulations."

The State Prison is still serving raw milk at the time of this audit. It is our recommendation that the Health Division pursue this problem immediately.

8. Annual Report to Governor Concerning Health Facilities

The State Department of Health and Welfare, acting through the Health Division, is charged with the responsibility under NRS 449.280, subsection 6, to make an annual report to the governor on activities and expenditures pursuant to NRS 449.250 and 449.430, inclusive, including recommendations for such additional legislation as the state department considers appropriate to furnish adequate health facilities to the people of this state.

The Health Division has not made an annual report to the governor for several years. Inasmuch as a biennial report under NRS 439.180 is made to the governor by the State Health Officer, covering the operations of the entire Health Division, we feel that any other report would be a duplication in effort. We therefore recommend repeal of NRS 449.280, subsection 6.

9. Downgrading of Food Service Establishments

NRS 446.910 states, "1. Grades of establishments shall be as follows:

"(a) Grade A. An establishment having a demerit score of not more than 10.

"(b) Grade B. An establishment having a demerit score of more than 10 but not more than 20.

"(c) Grade C. An establishment having a demerit score of more than 20 but not more than 40.

"2. Notwithstanding the grade criteria established in subsection 1, whenever a second consecutive violation of any item of two or four demerit points is discovered, the permit for such establishments may be suspended, or in lieu thereof, the establishment shall be downgraded to the next lower grade."

It was found that the Health Division does not always act in accordance with subsection 2 in suspending or downgrading establishments whenever a second consecutive violation of 2 or 4 demerit points is discovered. For example, one food service establishment which was inspected five times in less than a year was found to have had the same 2 point demerit violation on each of the inspections. There was no suspension or downgrading of this establishment because of this repeated violation. In fact, the establishment was upgraded twice during this period.

It is recommended that the Health Division administer this section in strict accordance with its provisions.

It was noted that all inspection reports are maintained in one file folder for each county. It is recommended that a file folder be provided for each food service establishment, in order that previous reports may be readily reviewed by the sanitarians before making new inspections. This would enable the sanitarians to compare the violations after inspection, in order to determine if downgrading is necessary in accordance with the prevailing statutes.

10. Issuance of Permits Without Inspection

Under NRS 446.875 regarding the issuance of permits to operate a food service establishment, subsection 3 states, "Upon receipt of such application, the health authority shall make an inspection of the food service establishment to determine compliance with the provisions of NRS 446.645 to 446.945, inclusive. When inspection reveals that the applicable requirements of NRS 446.645 to 446.945, inclusive, have been met, a permit shall be issued to the applicant by the health authority."

Several instances were noted in the Health Division files in which permits had been issued to food service establishments after receipt of application, although there were no indications of inspections having been made before or after issuance of the permits.

Issuance of permits without making an inspection first is a violation of NRS 446.875. We recommend that in the future, no permits be issued to operate any such establishments until an inspection is made in accordance with the Nevada Revised Statutes.

11. Inspection Reports of Swimming Pools

NRS 444.090 provides, "1. For the purposes of NRS 444.070 to 444.120, inclusive, the health division, the county board of health, any public health officer or inspector shall, at stated intervals designated by the state health officer, have full power and authority to and shall be permitted to enter upon any and all parts of the premises of such bathing and swimming places to make examination and investigation to determine the sanitary condition of such places and whether the provisions of NRS 444.070 to 444.120, inclusive, or the rules and regulations of the state board of health pertaining thereto are being violated.

"2. The results of such inspection shall be reported to the state health officer within 7 days following the inspection."

The Washoe and Clark county health departments make the inspections of swimming pools in their respective counties. The results of these inspections are not reported to the state health officer.

We do not believe the Health Division is able to properly administer the provisions of Chapter 444 without being informed of the results of these inspections. Therefore, it is recommended that the Health Division request copies of such inspections from all county health departments within the statutory 7 days following inspections, as required by NRS 444.090.

12. Notification of Disease Placard

NRS 446.100 states, "1. Notice shall be sent immediately to the health officer or any county health officer by the food establishment manager, or by any employee concerned, if he or any food handler contracts any infectious, contagious, or communicable disease or has a fever, a skin eruption, a cough lasting more than three weeks, or any other symptom of disease. Any such food

handler shall notify the food establishment manager immediately when any of such conditions obtain, and if neither the manager nor the food handler concerned notify the health officer immediately when any such conditions obtain they shall be held jointly and severally to have violated NRS 446.010 to 446.640, inclusive.

"2. A placard containing this section shall be posted in all food establishments."

The chief of environmental health stated to the auditor that to the best of his knowledge, state sanitarians do not check to see if a placard containing this section is posted in food establishments. Therefore, it is recommended that this be included on the check list of items to be observed when making future inspections. It is also recommended that the Washoe and Clark county health departments be advised to include this requirement for inspections made by their personnel.

13. Inspection of State Institutions

NRS 439.250 states in part as follows: "1. The state health officer shall have supervision over the sanitation, healthfulness, cleanliness and safety of the following state institutions:

"(a) Nevada state prison

"(b) Nevada state hospital

"(c) Nevada youth training center

"(d) Nevada state children's home

"(e) Nevada girls' training center

"(f) Public school gymnasiums

"(g) Every public school, and particularly those schools which participate in the school lunch program in the State of Nevada.

"3. The state health officer shall inspect such institutions at least once each calendar year and whenever in his discretion he deems an inspection necessary to carry out the provisions of this section, but inspections of public schools and gymnasiums shall be made at least twice a year, such inspections to take place immediately preceding the opening of each new semester.

"4. A report of the findings upon such inspection or inspections shall be made to the state board of health within 20 days following such inspection or inspections. The state board of health may from time to time, in its discretion, publish the reports of such inspections."

It was noted throughout the state that inspections are not made of public schools and gymnasiums in accordance with the provisions of subsection 3 of NRS 439.250.

A general review of inspection reports of the entire state revealed that the number of actual inspections made as compared to the number of inspections required fell quite short, due to lack of personnel.

It was also noted that inspection findings reports were not turned over to the state board of health within the 20-day period specified by subsection 4 of NRS 439.250.

We therefore make the following recommendations:

(a) All schools and gymnasiums be inspected at least twice each year, immediately preceding the opening of each semester in compliance with subsection 3 of NRS 439.250.

(b) The reports of findings of inspections of state schools and institutions be turned over to the State Board of Health within the time limit imposed by subsection 4 of NRS 439.250.

(c) The State Health Division prepare lists of all existing facilities to be inspected each year and plan accordingly for periodic inspection tours.

14. License Fee of Nevada State Hospital

NRS 449.030 provides that no person, partnership, corporation, or association, nor any state or local government unit or any agency thereof, shall establish, conduct, or maintain in this state any hospital without first obtaining a license therefor as provided in NRS 449.020 to 449.240, inclusive.

NRS 449.050 provides that each application for a license under NRS 449.020 to 449.240, inclusive, shall be accompanied by a fee determined by the number of beds, exclusive of bassinets, maintained for use of patients, according to the following schedule of fees:

Less than 50 beds	$20
50 beds or more and less than 100 beds	30
100 beds or more and less than 200 beds	40
200 beds or more	50

This is an annual license fee based on the calendar year. It was found that the Nevada State Hospital is licensed, but no fees are collected. The law specifically includes state hospitals; therefore, we recommend that the Health Division effect collection of this fee, as stipulated, in the future.

15. Licensing Pertaining to Radioactive Materials

NRS 459.040 provides in part that, "1. The state board of health shall provide by rule or regulation for general or specific licensing of persons to receive, possess or transfer radioactive materials, or devices or equipment utilizing such materials. Every such rule or regulation shall provide for amendment, suspension or revocation of licenses.

"4. Rules and regulations promulgated pursuant to this chapter may provide for recognition of such other state or federal licenses as the state board of health may consider desirable, subject to such registration requirements as the state board of health may prescribe."

The State Board of Health adopted radiation control regulations in 1962 under authority of Chapter 439 of NRS. The state radiation control act in Chapter 459 was not enacted until 1963. No further regulations have been adopted, and those adopted in 1962 do not provide for licensing requirements by the division, nor do they provide for recognition of licensing by any other governmental entity.

At present, the A.E.C. licenses Nevada persons possessing radioactive materials. The A.E.C. sends the Health Division copies of all licenses issued, renewed, and changed. The chief of environmental health stated that under federal regulations, the division cannot license such persons until Nevada becomes an "agreement state." The requirements of becoming an agreement state are involved and quite comprehensive. According to the chief of environmental health, it will probably take Nevada from four to six years to reach this status.

It is recommended that the State Board of Health promulgate rules and regulations which do specifically recognize the licenses issued by the Atomic Energy Commission in the State of Nevada, as provided for by subsection 4 of NRS 459.040.

16. Compensation of Inspectors of Mausoleums

Under NRS 452.230, the Health Division has supervisory control over the construction of any mausoleum, vault, or crypt. Subsection 1 states in part, "(b) Appoint an inspector under whose supervision such mausoleum, vault, or crypt shall be erected.

"(c) Determine the amount of compensation of the inspector. The compensation shall be paid by the person, firm, or corporation erecting such mausoleum, vault, or crypt."

The division has always appointed inspectors to supervise the erection of mausoleums; however, they have never determined the amount of compensation. The Health Division does not feel that it is always in a position to intelligently determine the amount of compensation to be paid. They also feel that the inspector and the erecting firm's management should be free to negotiate the amount themselves. We believe that this type of negotiating weakens the state's supervising control over the construction of these structures. We feel that a fair compensation scale could be arrived at by study and consultation with qualified professional people in the field of engineering and construction.

It is our recommendation that the Health Division immediately make any necessary consultations and accordingly begin complying with the Nevada Revised Statute 452.230.

17. DISPOSITION OF RECOMMENDATIONS AND SUGGESTED LEGISLATION OUTLINED IN PREVIOUS AUDIT REPORT - FISCAL YEAR ENDED JUNE 30, 1963

Audit Item No.	Administrative Recommendations	Partially Implemented	Fully Implemented	No Action
1.	Internal Control		X	
2.	Books and Records-Accounting Procedures		X	
3.	Purchasing Procedures		X	
4.	Verification of Poverty Statements - Mentally Ill	(No longer administered by Health Division)		
7.	Inspection of Public Schools			X
8.	Better Utilization of IBM Equipment		X	
9.	Better Utilization of Mobile X-Ray Unit		X	
10.	Storage of Birth and Death Records (Microfilms are now stored in a separate location)	X		
11.	Contracts	X		
12.	Accounting and Procedures Manual			X
13.	Duties of Commissioner of Food & Drugs		X	
14.	Equipment Inventory and Control			X

	Suggested Legislation	Legislative Action: Repealed	Enacted	None
5.	Reports Concerning Epilepsy			X
6.	Local Registrars	X		

SUGGESTED LEGISLATION

1. Investigation of Indigent T.B. Care Patients

Subsection 1 of NRS 443.105 states that every person who, under the regulations of the board, is found to be infected with active tuberculosis, and to constitute a threat to the health and safety of the public, or who is suspected of being so infected, shall be cared for at public expense, if he produces a written statement subscribed and sworn to or affirmed before a notary public declaring that he is unable to pay for medical or hospital care.

The Health Division requires written statements subscribed and sworn to before notary publics from persons declaring medical indigency. The division does not investigate the financial condition of such persons, however, to determine that they are indigent.

It is our belief that the state would be justified in confirming medical indigency, as treatment is costly and many times quite lengthy. It is recommended that NRS 443.105 be amended by adding a subsection to require the Health Division to investigate the circumstances of applicants in order to determine their financial ability to contribute to their treatment.

2. Inspection of Hospitals

NRS 449.090 requires that every hospital for which a license has been issued shall be periodically inspected by a duly authorized representative of the Health Division.

Prior to 1966, hospital inspections had not been made for several years. The present personnel of the health facilities bureau were unable to advise us as to why these inspections had been neglected. During 1966, the Health

Division inspected twenty of the thirty licensed hospitals in the state for certification to the Federal Government under the medicare program. In our opinion, these inspections fulfilled the requirements of the above statute. The ten other hospitals, which are the larger institutions, were inspected for certification by the Joint Commission on Accreditation of Hospitals, a national private professional organization recognized by the Federal Government.

The Health Division feels that the J.C.A.H. inspections are quite comprehensive and should be considered adequate. However, they do not fulfill the requirements of the above statute as it is written. No Health Division representatives were present or participated in them, nor did the Health Division receive a copy of the inspection reports. We are of the opinion that the Health Division should be allowed to take advantage of the manpower and professional ability of the J.C.A.H.

It is our recommendation that the Health Division approach this group with a proposal to make joint inspections with them, and if they are in agreement, that NRS 449.090 be amended to permit such inspections. If this type of inspection is not possible, then we recommend that the Health Division make them periodically on its own as required, as we believe that the assurance of properly operated and maintained hospital facilities is of great importance to the people of this state.

3. Elimination of the Hospital Advisory Council

The Hospital Advisory Council was created in 1951 to make recommendations to the Health Division concerning the adoption of licensing standards and rules and regulations governing the licensing of hospitals. In 1957, it was

designated by the Legislature under NRS 449.290 as the body to advise and consult with the Department of Health and Welfare in carrying out the administration of the Nevada Hospital Survey and Construction Act, NRS 449.250 to 449.430, inclusive.

In 1965, NRS 449.290 was amended by deleting the Hospital Advisory Council and inserting the Health Facilities Council. However, the Health Facilities Council was not designated as the council to make recommendations concerning licensing standards and rules and regulations governing the licensing of hospitals.

We recommend that one council be eliminated because the functions of the two are so closely related. Furthermore, the Hospital Advisory Council has not met since January 28, 1963; the terms of all members have expired; and no further appointments have been made to it by the Governor.

We recommend eliminating the Hospital Advisory Council by repealing NRS 449.100, as well as 449.110, 120, and 130, which refer to this council concerning vacancies, compensation, and meetings. We also recommend that subsections 2 and 3 of NRS 449.150 and NRS 449.290 be amended to empower the Health Facilities Council to make recommendations to the Health Division concerning the adoption of licensing standards and rules and regulations governing the licensing of hospitals.

4. Reports of Epilepsy to Motor Vehicle Department

Physicians are required to report to the State Board of Health the name, age, and address of every person diagnosed as a case of epilepsy, and the State Board of Health must report this information to the Department of Motor Vehicles, as provided by NRS 439.270.

Our last audit revealed that the reports were not being received by the State Board of Health, and consequently, the Department of Motor Vehicles was not receiving the desired information. The current audits of both agencies indicate the same lack of compliance on the part of the physicians. The Health Division feels that the physicians refuse to comply on the basis that such information is confidential.

Even if the Legislature were to provide for a substantial monetary penalty in the statutes for refusal by a physician to disclose such information, it is extremely doubtful that this would force the physicians to comply with the law. Since this statute is unenforcible, we recommend that NRS 439.270 be repealed.

5. Duplication of Food and Drink Establishment Statutes

Chapter 446, Food and Drink Establishments, was amended in 1963 to include new sections, NRS 446.645 to 446.945, inclusive, under the subheading, "Food Service Sanitation." The original sections of this chapter, NRS 446.010 to 446.640, inclusive, were enacted in 1943 under food and drink establishments. The Health Division is inspecting these facilities as food service establishments and is generally administering the chapter in accordance with the food service sanitation section.

Inasmuch as these two sections so closely parallel each other, it is recommended that all the statutes under the old food and drink establishment sections be repealed, with the exception of those which are not in duplication with the food service sanitation section. The statutes we recommend repeal of are as follows: NRS 446.010, 060, 130, 140, 150, 170, 180, 210, 220, 230, 290, 300, 310, 320, 330, 340, 350, 370, 390, 430, 470, 490, 510, 540, 630.

It is felt that the definition of a food and drink facility is better described by NRS 446.020 than by 446.700. Therefore, we recommend repeal of NRS 446.700.

Inasmuch as the terms food and drink establishment and food service establishment are synonymous, it is recommended that one or the other be adopted to reference such facility applying to this chapter and that all applicable statutes in the chapter be amended to bear the term adopted.

NRS 446.945 should also be amended to state which sections the penalty should apply to after making all other amendments suggested herein.

6. Payment of Fees to Local Registrars

NRS 440.710 provides fees to be paid to local registrars for each birth and death certificate, properly and completely made out and registered with them, and correctly recorded and promptly returned by them to the state registrar. However, the statute also provides that if the local registrar receives any salary from the state, city, or county for his services, then the fees shall not be allowed.

All local registrars receive salaries from either the state, counties, or cities for their services, and no such described fees have been paid for several years. We therefore recommend repeal of NRS 440.710, subsections 1, 2, and 3.

7. Registration of Physicians, Midwives, and Undertakers

NRS 439.520 provides that every physician, midwife, and undertaker shall register his name, address, and occupation with the local health officer of the jurisdiction in which such physician, midwife, or undertaker resides.

This statute has not been complied with for several years. There are no longer any midwives in the state, and health officials now rely on the Board of Medical Examiners and the Board of Funeral Directors and Embalmers for lists of physicians and undertakers. It is our opinion that this statute is no longer needed, and we recommend that it be repealed.

Carson City, Nevada
December 1, 1967

Robert E. Bruce, C.P.A.
Fiscal Analyst

Note: At a meeting held January 11, 1968, between the Fiscal Analyst and the Director of Health, Welfare, and Rehabilitation, agreement was reached on implementation of the foregoing recommendations.

PAUL LAXALT
GOVERNOR
CARL R. HARRIS
DIRECTOR

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
201 SOUTH FALL STREET
CARSON CITY, NEVADA 89701

DEPARTMENTAL DIVISIONS
ALCOHOLISM
CHILDREN'S HOME
HEALTH
MENTAL HYGIENE
NEVADA STATE HOSPITAL
NEVADA GIRLS TRAINING CENTER
NEVADA YOUTH TRAINING CENTER
REHABILITATION
SERVICES TO THE BLIND
WELFARE

January 17, 1968

Mr. Russell W. McDonald, Director
Legislative Counsel Bureau
Carson City, Nevada

Attention: Robert E. Bruce
Fiscal Analyst

Dear Mr. McDonald:

Re: Comments on Supplemental Letter for the Health Division for Fiscal Year Ending June 30, 1966

Many of the procedures recommended have been instituted since June 30, 1966.

We will proceed with the recommendations for the accounting manual and equipment inventory.

Requests were made to the Buildings and Grounds Department for permission to remove the air conditioners from the Heroes Memorial Building to the Nye Building. As of this date we have received no approval from Buildings and Grounds to have this equipment moved.

The calculator mentioned, which is not being used, was not identified as to location. The staff would appreciate further clarification.

The health deficiencies at the State Prison have been surveyed and the Health Division staff is working with the prison staff in order to adopt an acceptable plan to provide sanitary pasteurized milk to the prison.

Regarding downgrading of Food Service Establishments, I recommend the grading system be reviewed.

"Grade A" establishment would meet all sanitary and structural requirements, except for minor violations.

"Grade B" establishment would meet the sanitary requirements, but may not meet structural requirements.

"Grade C" establishment would be so graded when both structural and sanitary violations are to such an extent a public health hazard exists.

I would further recommend that specific legislation be adopted which requires the closing of a "Grade C" establishment after a reasonable time has elapsed for compliance so the Sanitarian would not be placed in a position to give arbitrary judgments regarding the unsanitary condition and its accompanying health hazard.

According to the present statutes, results of inspections of swimming pools shall be reported to the State Health Officer within seven (7) days following inspection.

The Washoe and Clark County Health Departments' staffs inspect swimming pools in their jurisdictions. If we agree that the District Health Officer is responsible for all health matters within his district, I feel it is a duplication of effort to report these inspections to the State Health Officer. The Districts' schedule for inspecting swimming pools more than meet the minimum requirement of the State Health Division. There would be a great accumulation of reports being received by the State Health Officer during the swimming season for which it would appear that the State Health Officer does not have primary responsibility. I would further suggest that the statutes be changed to provide a periodic review by the State Health Division staff of the swimming pool program and its effectiveness as operated in the districts.

Regarding reports of epilepsy (page 16): Any change in statutes should be coordinated with recommendations and requirements under the Federal Highway Safety Act.

These comments constitute areas of clarification, recommendation or disagreement. All other recommendations by the Legislative Auditors will be reviewed by appropriate personnel and the recommendations will be instituted as soon as possible.

Sincerely,

Karl R. Harris

Karl R. Harris,
Director

KRH:jhc

STATE OF NEVADA

NEVADA HISTORICAL SOCIETY

AUDIT REPORT

For the Period July 1, 1966
Through November 28, 1967

LEGISLATIVE COUNSEL BUREAU
ROBERT E. BRUCE, FISCAL ANALYST
Carson City, Nevada

December 15, 1967

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the following funds of the Nevada Historical Society for the period beginning July 1, 1966, and ending November 28, 1967:

Commercial Checking Account - Unappropriated Fund
Petty Cash Fund
Building Fund

We did not examine the accounts and records of the Administrative Fund, as the scope of this interim audit did not include this fund.

We have prepared the following exhibits:

Commercial Checking Account - Unappropriated Fund
Statement of Receipts and Expenditures for the
Period July 1, 1966 through November 28, 1967.....Exhibit A

Petty Cash Fund
Statement of Receipts and Expenditures for the
Period July 1, 1966 through November 28, 1967.....Exhibit B

Building Fund
Statement of Receipts and Expenditures for the
Period July 1, 1966 through November 28, 1967.....Exhibit C

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 the course of our audit, we were unable to verify the majority of expenditures from the Commercial Checking Account - Unappropriated Fund, and certain expenditures from the Petty Cash Fund, due to lack of proper documentation. Because we were unable to verify these expenditures, we are unable to express

an opinion on the accompanying financial statements, Exhibit A and Exhibit B.

In our opinion, the accompanying financial statement, Exhibit C, Building Fund - Statement of Receipts and Expenditures, presents fairly the results of the cash received and the expenditures made during the period then ended.

Respectfully submitted,

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

EXHIBIT A

NEVADA HISTORICAL SOCIETY
COMMERCIAL CHECKING ACCOUNT - UNAPPROPRIATED FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE PERIOD JULY 1, 1966 THROUGH NOVEMBER 28, 1967

Balance, July 1, 1966	$2,370.69
Receipts:	
Membership Dues	$2,105.00
C.S. Beatty Memorial - For Building Fund	150.00
Sales and Other Miscellaneous Receipts	1,195.70
Total Receipts	$3,450.70
Total Funds Available	$5,821.39
Expenditures:	
Office Supplies	$ 54.65
Janitorial Services	168.50
Janitorial Supplies	104.50
Repairs on Donated Equipment	501.00
Refunds on Overpayments	9.00
Books and Magazines	204.40
Postage	50.00
Fire Damage	215.00
Flowers	25.00
Petty Cash	65.00
Total Expenditures	$1,397.05
Balance, November 28, 1967	$4,424.34
Represented By:	
First National Bank of Nevada, Second and Virginia Street Branch, Reno, Nevada, Checking Account	$4,388.84
Undeposited Cash on Hand	35.50
Total Fund	$4,424.34

EXHIBIT B

NEVADA HISTORICAL SOCIETY
PETTY CASH FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE PERIOD JULY 1, 1966 THROUGH NOVEMBER 28, 1967

Balance, July 1, 1966	$ 18.16
Receipts:	
Miscellaneous	$ 1.04
Nevada Historical Society - Commercial Checking Account - Unappropriated Fund (Exhibit A)	65.00
Nevada Historical Society - Administrative Fund	170.33
Total Receipts	$236.37
Total Funds Available	$254.53
Expenditures:	
Office Supplies	$ 6.02
Newspapers	3.30
Coffee and Sugar	2.29
Post Office Box Rent	9.00
Postage	219.10
Repayment to Nevada Historical Society - Commercial Checking Account - Unappropriated Fund	5.00
Total Expenditures (Note 1.)	$244.71
Balance, November 28, 1967	$ 9.82
Fund Comprised of the Following:	
Cash on Hand	$ 9.82
Unreimbursed Expenditures	18.13
Total Petty Cash Fund, November 28, 1967 (Note 2.)	$ 27.95

Note 1. Included in total expenditures were items totaling $56.85, which were not supported by vouchers.

Note 2. Chapter 478, Section 8, 1967 Legislature, authorized a Petty Cash Fund not to exceed $25.00.

EXHIBIT C

NEVADA HISTORICAL SOCIETY
BUILDING FUND
STATEMENT OF RECEIPTS AND EXPENDITURES
FOR THE PERIOD JULY 1, 1966 THROUGH NOVEMBER 28, 1967

Balance, July 1, 1966:	
First National Bank of Nevada, Second and Virginia Street Branch, Reno, Nevada, Savings Account	$ 939.13
U.S. Treasury Bills, 4.58%, Due 10/13/67 *	259,067.09
Total Fund	$260,006.22
Receipts:	
Interest Collected	$ 16,201.46
Total Funds Available	$276,207.68
Expenditures:	
Printing Bank Checks	$ 5.10
Survey Expenses	3,638.03
Design	12,800.00
Specifications	764.10
Plan Checking	1,241.04
Advertising	74.20
Inspection Fees	3,750.00
Total Expenditures	$ 22,272.47
Balance, November 28, 1967	$253,935.21
Represented by:	
First National Bank of Nevada, Second and Virginia Street Branch, Reno, Nevada, Savings Account	$101,316.03
First National Bank of Nevada, Main Office, Reno, Nevada, Checking Account	16,381.23
U.S. Treasury Bill, 4.58%, Due 1/11/68 *	113,680.12
U.S. Treasury Bill, 4.68%, Due 1/18/68 *	14,825.20
Nevada State Treasurer - Custody of the State Planning Commission	7,732.63
Total Fund	$253,935.21

* U.S. Treasury Bills were held for safekeeping by the Bank of America, San Francisco, California

NEVADA HISTORICAL SOCIETY
SUPPLEMENTAL LETTER
FOR THE PERIOD JULY 1, 1966 THROUGH NOVEMBER 28, 1967

1. Improper Expenditures from Commercial Checking Account

NRS 382.050(3) provides the Society may sell pamphlets or books prepared solely by or printed for the Society, which shall be for the purpose of disseminating general or historical information only. The Society may deposit the proceeds of such sales in an insured commercial bank account. NRS 382.050(4) provides that the funds received by the Society for donations, grants, or any other source may be deposited in the account provided for in subsection 3. Expenditures of such funds shall be limited to the purpose of the donation, grant, or other source of the fund.

Expenditures totaling $1,397.05 were made from the commercial checking account during the period of our audit. Of this total, only $328.40 was found to be limited to the purpose of the source of the fund. The remaining $1,068.65 should have been from the Society's appropriated administrative fund.

We recommended in our prior audit that 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. The Statutes were amended in accordance with such recommendation. Expenditures now made from this fund for purposes other than printing and disseminating historical information are in violation of the law.

It was also found that the agency had retained invoices covering only two expenditures from this fund, making it impossible for us to verify the expenditures. We recommend that invoices covering all future expenditures be retained.

2. Petty Cash Fund

We were unable to verify all expenditures from the petty cash fund, as the Society did not retain all paid receipts for items paid out of this fund prior to the time our previous audit report was presented to them. The Society has since retained the receipts. Reimbursements to the fund have been made from appropriated funds by claim on the State Treasurer, in accordance with our recommendation.

This fund was authorized during the 1967 legislative session in an amount not to exceed $25.00. The fund had been in existence prior to that time and has never been adjusted to the authorized amount. It is presently $2.95 in excess of the authorized amount. It is therefore recommended that the excess be deposited to the general fund, in order to bring the fund to its authorized limit.

Carson City, Nevada
January 30, 1968

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

Note:
At a meeting held January 31, 1968, between the Fiscal Analyst's office and the Acting Administrator of the Historical Society, agreement was reached on implementation of the above recommendations.

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, 1967 TO JUNE 30, 1968

#71

VOLUME II

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada
July 1968

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
LEGISLATIVE COMMISSION

B. MAHLON BROWN	Senate Member
MELVIN D. CLOSE, JR.	Assembly Member
CARL F. DODGE, Chairman	Senate Member
JAMES I. GIBSON	Senate Member
ZELVIN D. LOWMAN	Assembly Member
ARCHIE POZZI, JR.	Senate Member
MARVIN L. WHITE	Assembly Member
JAMES E. WOOD	Assembly Member

* * * * *

RUSSELL W. MC DONALD	Legislative Counsel
ROBERT E. BRUCE	Fiscal Analyst
J.E. SPRINGMEYER	Research Director

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
Carson City, Nevada

July 24, 1968

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, which contains audits completed by this office during the period July 1, 1967 to June 30, 1968, and audit reports submitted by independent accountants during the same period, covering audits of boards and commissions as provided in NRS 218.825.

This annual report consists of two volumes:

Volume I - Page A-1 through A-194
Volume II - Page A-195 through B-114

Audit assignments are 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 recommendations and suggested corrective legislation. All reports are reviewed with department 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 its 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.

Pursuant to NRS 218.770(10), we have assisted many state departments and agencies, at their request, in improving the system of records and accounting.

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,

Robert E. Bruce

Robert E. Bruce
Fiscal Analyst

REB:ss

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LEGISLATIVE COUNSEL BUREAU--

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STATE OF NEVADA

DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION

WELFARE DIVISION

AUDIT REPORT

For the Fiscal Year Ended June 30, 1967

LEGISLATIVE COUNSEL BUREAU
ROBERT E. BRUCE, FISCAL ANALYST
Carson City, Nevada

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the books and records of the Welfare Division and Director's office of the Department of Health, Welfare and Rehabilitation for the fiscal year ended June 30, 1967, and have prepared therefrom the following exhibits and related schedules:

Combined Statement of Financial Condition, June 30, 1967..... Exhibit A

Statements of Basis for Appropriation and Authorization Compared to Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1967:

- Public Assistance and Child Welfare Administration Fund..... Exhibit B
- State Old Age Assistance Fund..... Exhibit C
- State Aid to the Blind Fund..... Exhibit D
- State Aid to Dependent Children Fund..... Exhibit E
- State Child Welfare Services Fund..... Exhibit F

Statement of Basis for Authorization Compared to Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1967:

- State Old Age Assistance and Aid to the Blind Medical and Remedial Care Fund..... Exhibit G
- U.S. Indian Services Fund..... Exhibit H
- Office of the Director's Fund..... Exhibit I

Statements of Cash Receipts and Expenditures
for the Fiscal Year Ended June 30, 1967:

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The records of the Welfare Division of the Department of Health, Welfare and Rehabilitation were previously audited for the fiscal year ended June 30, 1963. Our current examination did not include a comprehensive review of the Division's financial transactions and activities during the intervening years.

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 statements have been prepared on the cash basis method of accounting and do not give effect to revenues earned but not received or expenses incurred but not paid during the year under review. As a result, the statements do not purport to present the financial position of the Welfare Division or the results of its operations for the year under review, in accordance with generally accepted accounting principles.

In our opinion, the accompanying statements present fairly the assets and liabilities of the Welfare Division of the Department of Health, Welfare and Rehabilitation at June 30, 1967, arising from cash transactions, and the revenues collected and expenditures made by it during the year then ended.

Respectfully submitted,

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

EXHIBIT A

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
COMBINED STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1967

Assets

Cash		
In State Treasury	$467,105.83	
In Security National Bank, Carson City	50.00	$467,155.83
Fixed Assets		
Furniture and Fixtures	$ 1.00	
Automobiles	1.00	2.00
Total Assets		$467,157.83

Liabilities and Fund Equity

Liabilities		
Federal Funds Advanced	$440,067.20	
Funds Held In Trust	24,684.08	$464,751.28
Fund Equity		
Current Fund Balances	$ 2,404.55	
Fixed Assets	2.00	2,406.55
Total Liabilities and Fund Equity		$467,157.83

EXHIBIT B

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
PUBLIC ASSISTANCE AND CHILD WELFARE ADMINISTRATION FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation and Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
General Fund Appropriation	$ 628,742.00	$ 628,742.00	
Salary Adjustments	39,102.00	39,102.00	
Federal Subventions:			
Authorization	737,746.00		
Augmentation for Salary Adjustment	45,903.00		
Aid to Dependent Children		331,060.25	
Old Age Assistance		232,581.82	
Child Welfare Services		108,294.00	
Medical Assistance to Aged		97,323.79	
U.S. Indian Services		18,218.00	
Aid to the Blind		15,612.71	
Title V (Work Training)		11,030.00	
Federal Demonstration Projects		828.00	
Total Receipts	$1,451,493.00	$1,482,792.57	$ 31,299.57
Expenditures:			
Payroll Costs:			
Salaries	$1,146,817.00	$1,061,685.44	$(85,131.56)
Industrial Insurance	5,946.00	5,310.97	(635.03)
Retirement	61,690.00	57,754.21	(3,935.79)
Personnel Assessment	8,643.00	8,316.31	(326.69)
Group Insurance	6,042.00	5,375.60	(666.40)
Less:			
Salary Savings	(114,821.00)		114,821.00
Total Payroll Costs	$1,114,317.00	$1,138,442.53	$ 24,125.53
Travel:			
Out-of-State	$ 2,000.00	$ 1,902.28	$ (97.72)
In-State	65,000.00	50,984.72	(14,015.28)
Total Travel	$ 67,000.00	$ 52,887.00	$(14,113.00)
Operating:			
Office Supplies	$ 12,000.00	$ 23,988.91	$ 11,988.91
Postage and Freight	13,100.00	14,841.44	1,741.44
Telephone and Telegraph	21,750.00	30,318.47	8,568.47

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
PUBLIC ASSISTANCE AND CHILD WELFARE ADMINISTRATION FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation and Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Expenditures: (Cont.)			
Operating: (Cont.)			
Printing	$ 9,650.00	$ 4,879.01	$ (4,770.99)
Subscriptions and Reference Manuals	1,200.00	1,445.39	245.39
Dues and Registration	750.00	883.31	133.31
Bond and Insurance Premiums	350.00	1,805.73	1,455.73
Contract Services	105,585.00	82,371.88	(23,213.12)
Attorney General Services	11,587.00	13,425.08	1,838.08
Office Equipment Repair	2,500.00	1,198.58	(1,301.42)
Office Equipment - Contract Service	--	3,151.95	3,151.95
Equipment Rental	8,432.00	3,005.47	(5,426.53)
Building Space Rental	52,452.00	46,828.40	(5,623.60)
Utilities	3,000.00	5,412.17	2,412.17
Janitor Supplies	350.00	537.35	187.35
Building Maintenance	--	450.23	450.23
Appeals, Hearings, Court Costs	550.00	524.90	(25.10)
Instructional Supplies	500.00	7.50	(492.50)
Improvements and Betterments	2,000.00	544.44	(1,455.56)
Advertising	300.00	1,010.44	710.44
Professional Services	--	1,459.35	1,459.35
Licenses and Fees	1,000.00	521.80	(478.20)
Electronic Data Processing	--	15,864.23	15,864.23
Photos, Prints and Maps	400.00	524.47	124.47
Special Services and Projects	--	295.00	295.00
Public Information	750.00	521.48	(228.52)
Educational Leave Stipends	365.00	365.00	--
Special Reports	720.00	--	(720.00)
Total Operating	$ 249,291.00	$ 256,181.98	$ 6,890.98
Equipment:			
Autos	$ 10,500.00	$ 8,147.55	$ (2,352.45)
Office Furniture	2,025.00	4,641.89	2,616.89
Office Equipment	5,225.00	6,389.89	1,164.89
Other Equipment	--	2,637.44	2,637.44
Total Equipment	$ 17,750.00	$ 21,816.77	$ 4,066.77

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
PUBLIC ASSISTANCE AND CHILD WELFARE ADMINISTRATION FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation and Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Expenditures: (Cont.)			
Total Expenditures	$1,448,358.00	$1,469,328.28	$ 20,970.28
Transfers to Other Funds:			
Public Assistance Educational Stipends Fund	$ 3,135.00	$ 3,135.00	$ --
Total Expenditures & Transfers	$1,451,493.00	$1,472,463.28	$ 20,970.28
Reverted to General Fund June 30, 1967		$ 10,329.29	

EXHIBIT C

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
STATE OLD AGE ASSISTANCE FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation and Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
General Fund Appropriation	$1,138,410.00	$1,138,410.00	
Supplemental Appropriation (AB-388)	101,000.00	101,000.00	
Total State Appropriation	$1,239,410.00	$1,239,410.00	
Transfers from Other Funds:			
Federal Old Age Assistance	$3,376,130.00	$1,596,802.23	
Federal Medical Assistance to Aged		1,090,934.90	
State Aid to the Blind (AB-388)	30,000.00	30,000.00	
Total Transfers from Other Funds	$3,406,130.00	$2,717,737.13	$(688,392.87)
Total Receipts	$4,645,540.00	$3,957,147.13	$(688,392.87)
Expenditures:			
Old Age Assistance Payments	$4,645,540.00	$2,164,378.44	
Old Age and Remedial Care Payments		253,138.84	
Medical Assistance to Aged Money and Medical Payments		1,534,160.42	
Total Expenditures	$4,645,540.00	$3,951,677.70	$(693,862.30)
Excess of Receipts Over Expenditures Reverted to General Fund, June 30, 1967		$ 5,469.43	

EXHIBIT D

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
STATE AID TO THE BLIND FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation and Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Fund Balance, July 1, 1966		$ 8,821.44	$ 8,821.44
Receipts:			
General Fund Appropriation	$143,820.00	$143,820.00	$ --
Transfer from Federal Aid to Blind Fund	95,880.00	94,297.56	(1,582.44)
Total Receipts	$239,700.00	$238,117.56	$ (1,582.44)
Total Funds Available	$239,700.00	$246,939.00	$ 7,239.00
Expenditures:			
Aid to Blind Assistance Payments	$199,700.00	$181,954.00	$(17,746.00)
Aid to Blind Medical and Remedial Care Payments	40,000.00	18,051.25	(21,948.75)
Total Expenditures	$239,700.00	$200,005.25	$(39,694.75)
Transfers to Other Funds:			
State Old Age Assistance Fund (AB #388)		$ 30,000.00	$ 30,000.00
State Medical and Remedial Care Fund (AB #644)		4,000.00	4,000.00
Total Transfers		$ 34,000.00	$ 34,000.00
Total Expenditures and Transfers	$239,700.00	$234,005.25	$ (5,694.75)
Excess of Receipts over Expenditures and Transfers Reverted to General Fund- June 30, 1967		$ 12,933.75	

EXHIBIT E

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
STATE AID TO DEPENDENT CHILDREN FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation and Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
General Fund Appropriation	$ 842,700.00	$ 842,700.00	$ --
Supplemental Appropriation (AB-538)	28,000.00	28,000.00	--
Transfer from Federal Aid to Blind Fund	1,382,028.00	1,683,092.34	301,064.34
Total Receipts	$2,252,728.00	$2,553,792.34	$301,064.34
Expenditures:			
Aid to Dependent Children Assistance Payments	$2,084,188.00	$2,374,747.99	$290,559.99
Aid to Dependent Children Medical and Remedial Care Payments	168,540.00	174,461.50	5,921.50
Total Expenditures	$2,252,728.00	$2,549,209.49	$296,481.49
Excess of Receipts Over Expenditures Reverted to General Fund June 30, 1967		$ 4,582.85	

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
STATE CHILD WELFARE SERVICES FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation and Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
General Fund Appropriation	$482,875.00	$482,875.00	$ --
Supplemental Appropriation (SB-5; 5/9/66)	40,300.00	40,300.00	--
County Reimbursement (Foster Home Care)	119,860.00	128,074.86	8,214.86
Transfer - Federal Child Welfare Services	27,000.00	27,000.00	--
Transfer - Welfare Gift and Cooperative Trust Fund	--	19,060.08	19,060.08
Total Receipts	$670,035.00	$697,309.94	$ 27,274.94
Expenditures:			
Unmarried Mothers and Children Awaiting Adoption Payments	$194,300.00	$193,175.59	$ (1,124.41)
Foster Home Care Payments	449,155.00	449,585.75	50,430.75
Handicapped Children Payments	26,580.00	3,612.91	(22,967.09)
Total Expenditures	$670,035.00	$696,374.25	$ 26,339.25
Excess of Receipts over Expenditures Reverted to General Fund June 30, 1967		$ 935.69	

EXHIBIT G

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
STATE OLD AGE ASSISTANCE AND AID TO THE BLIND
MEDICAL AND REMEDIAL CARE FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Transfer - State Aid to the Blind (AB-644; 4/13/65	$4,000.00	$4,000.00	$ --
Expenditures:			
Medical and Remedial Care Payments	$4,000.00	$3,603.44	$396.56
Fund Balance June 30, 1967		$ 396.56	

EXHIBIT H

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
U.S. INDIAN SERVICES FUND
STATEMENT OF BASIS FOR AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Fund Balance July 1, 1966		$ 16.94	$ 16.94
Receipts:			
United States Indian Service	$84,000.00	$113,987.00	$29,987.00
Transfer - Welfare Gift and Cooperative Trust Fund	--	5,086.66	5,086.66
Total Receipts	$84,000.00	$119,073.66	$35,073.66
Total Funds Available	$84,000.00	$119,090.60	$35,090.60
Expenditures:			
U.S. Indian Foster Care Payments	$84,000.00	$ 90,476.94	$ 6,476.94
Transfers to Other Funds:			
Public Assistance Child Welfare Administration Fund	$ --	$ 18,218.00	$18,218.00
Title V - Work Training Fund - Washoe County	--	1,518.00	1,518.00
Title V - Work Training Fund - McDermitt	--	4,074.00	4,074.00
Total Transfers	$ --	$ 23,810.00	$23,810.00
Total Expenditures and Transfers	$84,000.00	$114,286.94	$30,286.94
Excess of Receipts Over Expenditures and Transfers Reverted to Federal Government June 30, 1967		$ 4,803.66	

EXHIBIT I

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
OFFICE OF THE DIRECTOR'S FUND
STATEMENT OF BASIS FOR APPROPRIATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
General Fund Appropriation	$28,637.00	$28,637.00	$ --
Salary Adjustment	288.00	288.00	--
Sale of Xerox Services	--	2,017.65	2,017.65
Total Receipts	$28,925.00	$30,942.65	$ 2,017.65
Expenditures:			
Payroll Costs:			
Salaries	$22,584.00	$14,664.00	$ (7,920.00)
Industrial Insurance	128.00	78.96	(49.04)
Retirement	1,307.00	847.56	(459.44)
Personnel Assessment	50.00	50.00	--
Group Insurance	72.00	70.62	(1.38)
Total Payroll Costs	$24,141.00	$15,711.14	$ (8,429.86)
Travel:			
Out-of-State	$ 350.00	$ 170.50	$ (179.50)
In-State	2,300.00	524.98	(1,775.02)
Total Travel	$ 2,650.00	$ 695.48	$ (1,954.52)
Operating:			
Office Supplies	$ 500.00	$ 326.59	$ (173.41)
Postage and Freight	165.00	109.65	(55.35)
Telephone - Combined	750.00	1,026.91	276.91
Printing Operational	90.00	--	(90.00)
Subscriptions and Reference Manuals	64.00	--	(64.00)
Dues and Registration	50.00	--	(50.00)
Office Equipment Repair	50.00	30.40	(19.60)
Equipment Rental	390.00	1,463.76	1,073.76
Contract Services	--	9,337.98	9,337.98
Total Operating	$ 2,059.00	$12,295.29	$ 10,236.29
Equipment:			
Office Furniture	$ 75.00	$ 76.07	$ 1.07
Total Equipment	$ 75.00	$ 76.07	$ 1.07
Total Expenditures	$28,925.00	$28,777.98	$ (147.02)
Excess of Receipts Over Expenditures Reverted to the General Fund June 30, 1967		$ 2,164.67	

SCHEDULE 1

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
FEDERAL OLD AGE ASSISTANCE FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Balance July 1, 1966	$ 91,271.42
Receipts:	
Federal Funds	$1,834,373.67
Total Funds Available	$1,925,645.09
Expenditures:	
Data Processing Costs	$ 399.42
Special Educational Grant - University of Nevada	990.00
Total Expenditures	$ 1,389.42
Transfers to Other Funds:	
Public Assistance Child Welfare Administration Fund	$ 232,581.82
State Old Age Assistance Fund	1,596,802.23
Federal Demonstration Project Funds	17,467.63
Public Assistance Educational Stipends Fund	3,382.85
Total Transfers	$1,850,234.53
Total Expenditures and Transfers	$1,851,623.95
Fund Balance June 30, 1967	$ 74,021.14

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
FEDERAL MEDICAL ASSISTANCE TO THE AGED FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Balance July 1, 1966	$ 108,960.53
Receipts:	
Federal Funds	$1,171,937.23
Total Funds Available	$1,280,897.76
Expenditures:	
Data Processing Costs	$ 167.95
Special Educational Grant to University of Nevada	990.00
Total Expenditures	$ 1,157.95
Transfers to Other Funds:	
Public Assistance Child Welfare Administration Fund	$ 97,323.79
State Old Age Assistance Fund	1,090,934.90
Federal Demonstration Project Funds	16,099.63
Public Assistance Educational Stipends Fund	3,382.85
Total Transfers	$1,207,741.17
Total Expenditures and Transfers	$1,208,899.12
Fund Balance June 30, 1967	$ 71,998.64

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
FEDERAL AID TO DEPENDENT CHILDREN FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 82,007.23
Receipts:	
Federal Funds	$1,962,067.06
Total Funds Available	$2,044,074.29
Expenditures:	
Data Processing Costs	$ 477.05
Special Educational Grant to University of Nevada	990.00
Total Expenditures	$ 1,467.05
Transfers to Other Funds:	
Public Assistance Child Welfare Administration Fund	$ 331,060.25
State Aid to Dependent Children Fund	1,683,092.34
Federal Demonstration Projects	17,467.61
Public Assistance Educational Stipends Fund	3,382.85
Total Transfers	$2,035,003.05
Total Expenditures and Transfers	$2,036,470.10
Fund Balance June 30, 1967	$ 7,604.19

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
FEDERAL AID TO THE BLIND FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 3,469.90
Receipts:	
Federal Funds	$146,174.45
Total Funds Available	$149,644.35
Expenditures:	
Data Processing Costs	$ 38.11
Special Educational Grant to University of Nevada	990.00
Total Expenditures	$ 1,028.11
Transfers to Other Funds:	
Public Assistance Child Welfare Administration Fund	$ 15,612.71
State Aid to the Blind Fund	94,297.56
Federal Demonstration Project Funds	13,603.63
Public Assistance Educational Stipends Fund	3,382.85
Total Transfers	$126,896.75
Total Expenditures and Transfers	$127,924.86
Fund Balance June 30, 1967	$ 21,719.49

SCHEDULE 5

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
OLDER AMERICAN ACT FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Receipts:	
Federal Funds	$45,000.00
Expenditures:	--
Fund Balance June 30, 1967 (Non-Reverting)	$45,000.00

SCHEDULE 6

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
FEDERAL CUBAN REFUGEES FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 4,715.53
Receipts:	
Federal Funds	$66,213.56
Total Funds Available	$70,929.09
Expenditures:	
Assistance Payments	$63,149.08
Fund Balance June 30, 1967 (Non-Reverting)	$ 7,780.01

SCHEDULE 7

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
FEDERAL CHILD WELFARE SERVICES FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Receipts:	
Federal Funds	$135,294.00
Transfers to Other Funds:	
Welfare Administration Fund	$108,294.00
State Child Welfare Services	27,000.00
Total Transfers	$135,294.00
Fund Balance June 30, 1967	$ --

SCHEDULE 8

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
TITLE V - WORK TRAINING FUND - COORDINATOR
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 471.03
Receipts:	
Federal Funds	$25,951.50
Total Funds Available	$26,422.53
Expenditures:	
Payroll Costs:	
Salaries	$17,970.00
Industrial Insurance	109.95
Retirement	1,039.24
Personnel Assessment	100.00
Group Insurance	113.78
Total Payroll Costs	$19,332.97
Travel:	
Out-of-State	$ 135.98
In-State	2,910.69
Total Travel	$ 3,046.67
Operating:	
Office Supplies	$ 31.41
Postage and Freight	12.12
Telephone Combined	1,183.35
Printing Combined	241.52
Insurance and Bond Premium	1.81
Office Equipment Repair	162.80
Equipment Rental	62.70
Photos and Maps	326.49
Public Information	899.48
Total Operating	$ 2,921.68
Equipment:	
Office Furniture	$ 302.00
Office Equipment	339.58
Total Equipment	$ 641.58
Total Expenditures	$25,942.90
Fund Balance June 30, 1967	$ 479.63

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE TITLE V - WORK TRAINING FUND - CLARK COUNTY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 3,638.43
Receipts:	
Federal Funds	$1,135,000.00
Total Funds Available	$1,138,638.43
Expenditures:	
Payroll Costs:	
Salaries	$ 91,618.53
Industrial Insurance	478.92
Retirement	4,465.66
Group Insurance	395.12
Total Payroll Costs	$ 96,958.23
Travel:	
Out-of-State	$ 483.75
In-State	4,578.83
Total Travel	$ 5,062.58
Operating:	
Office Supplies	$ 156.31
Postage and Freight	11.33
Telephone Combined	143.45
Dues and Registrations	24.00
Office Equipment Repair	139.48
Instruction Supplies	975.34
Improvements and Betterments	4.25
Photos and Prints	84.25
Special Projects	23,366.82
Total Operating	$ 24,905.23
Equipment:	
Office Furniture	$ 1,024.21
Office Equipment	1,641.50
Other Furniture and Equipment	39.99
Total Equipment	$ 2,705.70
Assistance Payments:	$ 893,029.98
Total Expenditures	$1,022,661.72

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE TITLE V - WORK TRAINING FUND - CLARK COUNTY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Transfers to Other Funds:	
Public Assistance Child Welfare Administration Fund	$ 9,747.00
Welfare Title V - Work Training Project Emergency Revolving Fund	300.00
Total Transfers	$ 10,047.00
Total Expenditures and Transfers	$1,032,708.72
Fund Balance June 30, 1967	$ 105,929.71

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE TITLE V - WORK TRAINING FUND - WASHOE COUNTY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 24,811.70
Receipts:	
Federal Funds	$529,500.00
U.S. Indian Service Fund	1,518.00
Total Receipts	$531,018.00
Total Funds Available	$555,829.70
Expenditures:	
Payroll Costs: -	
Salaries	$ 50,724.37
Industrial Insurance	257.08
Retirement	2,488.05
Group Insurance	135.89
Total Payroll Costs	$ 53,605.39
Travel:	
Out-of-State	$ 189.15
In-State	3,784.25
Total Travel	$ 3,973.40
Operating:	
Office Supplies	$ 53.76
Postage and Freight	143.55
Telephone Combined	959.66
Printing	95.09
Dues and Registrations	5.00
Office Equipment Repair	36.10
Building Rent	250.00
Instruction Supplies	11,614.73
Appeals, Hearings	60.60
Special Projects	24,354.93
Photos and Maps	40.00
Total Operating	$ 37,613.42
Equipment:	
Office Furniture	$ 922.17
Office Equipment	1,484.86
Total Equipment	$ 2,407.03

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE TITLE V - WORK TRAINING FUND - WASHOE COUNTY
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Expenditures: (Cont.)	
Assistance Payments	$380,519.02
Total Expenditures	$478,118.26
Transfers to Other Funds:	
Public Assistance Child Welfare Administration Fund	$ 783.00
Welfare Title V - Work Training Project Emergency Revolving Fund	200.00
Total Transfers	$ 983.00
Total Expenditures and Transfers	$479,101.26
Fund Balance June 30, 1967	$ 76,728.44

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE TITLE V - WORK TRAINING FUND - MCDERMITT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 3,080.73
Receipts:	
Federal Funds	$206,154.50
United States Indian Services Fund	4,074.00
Total Receipts	$210,228.50
Total Funds Available	$213,309.23
Expenditures:	
Payroll Costs:	
Salaries	$ 37,048.26
Industrial Insurance	195.82
Retirement	1,884.03
Total Payroll Costs	$ 39,128.11
Travel:	
Out-of-State	$ 402.98
In-State	8,148.94
Total Travel	$ 8,551.92
Operating:	
Office Supplies	$ 69.20
Postage and Freight	310.75
Telephone Combined	2,483.78
Subscriptions and Manuals	72.00
Office Equipment Repair	73.00
Insurance and Bond Premiums	135.00
Contract Services	3,000.00
Other Equipment Repair	73.93
Equipment Repair	276.10
Building Rent	2,354.00
Heat	904.04
Power	62.50
Transportation of Recipients	49.25
Instructional Supplies	14,644.16
Special Services	5,173.98
Janitor Supplies	12.55
Building Maintenance	21.00
Photos, Prints and Maps	15.10
Total Operating	$ 29,730.34

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE TITLE V - WORK TRAINING FUND - MCDERMITT
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Expenditures: (Cont.)	
Equipment:	
Office Furniture	$ 381.41
Office Equipment	95.10
Other Furniture and Equipment	267.89
Total Equipment	$ 744.40
Assistance Payments	$106,348.51
Total Expenditures	$184,503.28
Transfers to Other Funds:	
Public Assistance Child Welfare Administration Fund	$ 500.00
Welfare Title V - Work Training Project Emergency Revolving Fund	500.00
Total Transfers	$ 1,000.00
Total Expenditures and Transfers	$185,503.28
Fund Balance June 30, 1967	$ 27,805.95

SCHEDULE 12

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE TITLE V WORK TRAINING EMERGENCY REVOLVING FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Transfers from Funds to Set-up Emergency Fund:	
McDermitt Title V Revolving Fund	$ 500.00
Washoe County Title V Revolving Fund	200.00
Clark County Title V Revolving Fund	300.00
Total Transfers	$1,000.00
Receipts:	
Assistance Reimbursements	$1,285.38
Operating Reimbursements	587.00
Total Receipts	$1,872.38
Combined Total	$2,872.38
Expenditures:	
Assistance Payments	$1,285.38
Operating Payments	587.00
Total Expenditures	$1,872.38
Fund Balance June 30, 1967	$1,000.00

Note:
The money in this fund is on deposit with the Nevada State Treasurer.

SCHEDULE 13

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE GIFT AND COOPERATIVE FUND - FEDERAL
DEMONSTRATION PROJECT #186
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Receipts:	
Transfers from Other Funds:	
Federal Old Age Assistance	$ 4,025.00
Federal Medical Assistance to Aged	4,025.00
Federal Aid to Dependent Children	4,025.00
Federal Aid to the Blind	4,025.00
Total Receipts	$16,100.00
Expenditures:	
Payroll Costs:	
Salaries	$ 275.24
Excess of Receipts over Expenditures	$15,824.76
Transfers to Other Funds:	
Federal Old Age Assistance	$ 3,956.19
Federal Medical Assistance to Aged	3,956.19
Federal Aid to Dependent Children	3,956.19
Federal Aid to the Blind	3,956.19
Total Transfers	$15,824.76
Fund Balance June 30, 1967	$ --

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE GIFT AND COOPERATIVE FUND - FEDERAL
DEMONSTRATION PROJECT #156
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 644.35
Receipts:	
Transfers From Other Funds:	
Federal Old Age Assistance	$ 5,961.58
Federal Aid to Dependent Children	5,961.58
Federal Aid to the Blind	2,097.58
Federal Medical Assistance to Aged	4,593.58
Federal Demonstration #157	5.64
Total Receipts	$18,619.96
Total Funds Available	$19,264.31
Expenditures:	
Payroll Costs:	
Salaries	$ 1,620.90
Retirement	38.16
Total Payroll Costs	$ 1,659.06
Operating:	
Contract Services	$11,097.65
Data Processing	150.00
Total Operating	$11,247.65
Total Expenditures	$12,906.71
Excess of Receipts Over Expenditures	$ 6,357.60
Transfers to Other Funds:	
Federal Demonstration #157	$ 6,150.60
Welfare Administration Fund	207.00
Total Transfers to Other Funds	$ 6,357.60
Fund Balance June 30, 1967	$ --

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE GIFT AND COOPERATIVE FUND - FEDERAL
DEMONSTRATION PROJECT #157
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 5.64
Receipts:	
Transfers from Other Funds:	
Federal Medical Assistance to Aged	$ 530.45
Federal Old Age Assistance	530.45
Federal Aid to Dependent Children	530.45
Federal Aid to the Blind	530.45
Federal Demonstration #156	6,150.60
Total Receipts	$8,272.40
Total Funds Available	$8,278.04
Expenditures:	
Operating:	
Contract Services	$4,121.80
Excess of Receipts Over Expenditures	$4,156.24
Transfers to Other Funds:	
Federal Old Age Assistance	$ 985.90
Federal Medical Assistance to Aged	985.90
Federal Aid to Dependent Children	985.90
Federal Aid to the Blind	985.90
Welfare Administration Fund	207.00
Federal Demonstration #156	5.64
Total Transfers to Other Funds	$4,156.24
Fund Balance June 30, 1967	$ --

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE GIFT AND COOPERATIVE FUND - FEDERAL
DEMONSTRATION PROJECT #211
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Receipts:	
Transfers From Other Funds:	
Federal Old Age Assistance	$ 8,377.64
Federal Medical Assistance to Aged	8,377.63
Federal Aid to Dependent Children	8,377.63
Federal Aid to the Blind	8,377.63
Total Receipts	$33,510.53
Expenditures:	
Travel:	
Out-of-State	$ 1,064.45
In-State	703.68
Total Travel	$ 1,768.13
Operating:	
Contract Services	$31,471.32
Equipment:	
Office Furniture	$ 64.08
Total Expenditures	$33,303.53
Excess of Receipts Over Expenditures	$ 207.00
Transfer to Welfare Administration Fund	$ 207.00
Fund Balance June 30, 1967	$ --

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE GIFT AND COOPERATIVE FUND - FEDERAL
DEMONSTRATION PROJECT #245
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Receipts:	
Transfers From Other Funds:	
Federal Old Age Assistance Fund	$ 3,515.05
Federal Medical Assistance to the Aged Fund	3,515.06
Federal Aid to the Blind Fund	3,515.06
Federal Aid to Dependent Children Fund	3,515.04
Total Receipts	$14,060.21
Expenditures:	
Payroll Costs:	
Salaries	$10,560.76
Industrial Insurance	53.64
Retirement	527.06
Total Payroll Costs	$11,141.46
Travel:	
In-State	$ 1,090.62
Operating:	
Office Supplies	$ 7.31
Postage and Freight	1.50
Telephone	6.35
Office Equipment Repair	19.60
Photos and Maps	12.00
Total Operating	$ 46.76
Equipment:	
Office Furniture	$ 694.27
Office Equipment	854.46
Other Furniture and Equipment	25.64
Total Equipment	$ 1,574.37
Total Expenditures	$13,853.21
Transfers to Other Funds:	
Public Assistance Child Welfare Administration Fund	$ 207.00
Total Expenditures and Transfers	$14,060.21
Fund Balance June 30, 1967	$ --

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE GIFT AND COOPERATIVE TRUST FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$21,106.97
Receipts:	
Advance Support Payments	$ 367.50
Social Security Payments	34,803.28
Total Receipts	$35,170.78
Total Funds Available	$56,277.75
Expenditures:	
Trust Payments	$ 7,305.13
Transfers to Other Funds:	
State Child Welfare Services Fund	$19,060.08
U.S. Indian Services Fund	5,086.66
State Old Age Assistance Fund	141.80
Total Transfers	$24,288.54
Total Expenditures and Transfers	$31,593.67
Fund Balance June 30, 1967	$24,684.08

SCHEDULE 19

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE GIFT SERVICES TO THE BLIND FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$1,536.19
Receipts:	
Income from Trust Assets	$ 320.00
Donations	50.00
Total Receipts	$ 370.00
Total Funds Available	$1,906.19
Expenditures:	
Gift Payments in Behalf of Recipients	$ 60.40
Transfers to Other Funds:	
Division of Services to the Blind (AB-373)	$1,845.79
Total Expenditures and Transfers	$1,906.19
Fund Balance June 30, 1967	$ --

SCHEDULE 20

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
WELFARE GIFT AND COOPERATIVE FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$1,453.73
Receipts:	
Donations	$ 435.73
Total Funds Available	$1,889.46
Expenditures:	
Gift Fund Payments in Behalf of Children	$ 213.97
Fund Balance June 30, 1967	$1,675.49

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
PUBLIC ASSISTANCE EDUCATIONAL STIPENDS FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ .45
Receipts:	
Transfers from Other Funds:	
Federal Old Age Assistance	$ 3,382.85
Federal Medical Assistance to the Aged	3,382.85
Federal Aid to the Blind	3,382.85
Federal Aid to Dependent Children	3,382.85
Welfare Administration Fund	3,135.00
Various Donations	4,564.53
Total Receipts	$21,230.93
Total Funds Available	$21,231.38
Expenditures:	
Payroll Costs:	
Salaries	$16,776.73
Industrial Insurance	88.35
Retirement	973.02
Group Insurance	119.78
Total Payroll Costs	$17,957.88
Travel:	
In-State	$ 379.00
Operating:	
Tuition	$ 2,612.00
Total Expenditures	$20,948.88
Fund Balance June 30, 1967 (Non-Reverting)	$ 282.50

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
GOVERNMENTAL CASE DOCUMENT, SEARCH,
AND ACQUISITION PETTY CASH FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ 43.00
Receipts:	
Reimbursements	$475.10
Total Funds Available	$518.10
Expenditures:	
Document Acquisition Costs	$468.10
Fund Balance June 30, 1967	$ 50.00

Note:
Funds deposited with the Security National Bank,
Carson City, Nevada.

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
MISCELLANEOUS SALES AND RECEIPTS FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

Fund Balance July 1, 1966	$ --
Receipts:	
Retirement Overpayment Refunded	$ 11.85
Expenditures:	$ --
Excess of Receipts Over Expenditures Reverted to General Fund June 30, 1967	$ 11.85

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
SUPPLEMENTAL LETTER
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

ADMINISTRATIVE PROCEDURES

1. Application Forms

The Division recently revised its application forms. These forms are a great improvement over prior forms, but they do not comply with the statutes regarding applications for aid to the blind. Subsection 1 of NRS 426.380 states, "Each applicant for aid shall file with the welfare division of the department of health and welfare an application signed by him, stating, if known:

"(a) Places of his residence during the preceding 9 years.

"(b) His financial resources and income.

"(c) The name and address of his spouse.

"(d) The degree of his blindness.

"(e) Where and when he became blind.

"(f) Such other data as is necessary to establish his eligibility for aid to the blind."

The application forms do not include (a), (d), and (e) of the above quoted subsection of NRS.

We recommend that the Division revise its present application form to include the missing requirements.

2. Changes to be Reported by Welfare Recipients

Welfare recipients often claim that they did not know that they were required to report certain changes in their economic status.

We recommend the following:

1. All forms used at the time of original application for welfare aid and at the time of investigation should contain in bold print the statement that changes in sources and amounts of income, household composition, and property owned must be reported immediately by the welfare recipient to the Welfare Division. This statement should also inform the recipient of the penalties imposed when he fails to report such changes.
2. At the time he signs such form, the welfare recipient should be given a copy of every form which he is required to sign.
3. The welfare recipient should receive a copy of the budget form used to determine the amount of his welfare grant.

3. Collection of Overpayments

There has been a sharp decline in the collection of overpayments since our last audit. The current manual limits collection of overpayments to those made during the last three months, and then only if the client has the money on hand to make the repayment, or, if the client will no longer be eligible for aid and his continuing income will be in excess of twice his needs under the applicable public assistance program. In one example, the client was overpaid $392 between November, 1956, and February, 1957, due to unreported employment, and only $15 of this overpayment was recovered. Because of her employment, the client was ineligible for assistance until December, 1960. In February, 1967, it was learned that this client was again employed at the same establishment where she worked when she was overpaid in 1956 and 1957, and that she had been employed there fairly steadily for the last seven years, and during that period, she was overpaid approximately $6,200. No action has been taken against this client.

Under the Division's regulations, instances of fraud or possible fraud are to be referred to the law enforcement unit. Section 2-01-047-0 of the Division's administrative manual states, in part, "All referrals to law enforcement agencies, when there is a possibility that fraud exists, will be made through the law enforcement services unit." We reviewed 25 cases that had been referred to the law enforcement unit by caseworkers during the calendar years 1966 and 1967, and in none of these cases, was there noted a referral to a law enforcement agency such as the local district attorney. The 25 cases do not represent the total referred in the last two years, as some of the cases were transferred to the Las Vegas office in mid-1967, and, as noted elsewhere in the audit, the caseworkers do not refer all cases of possible fraud to the law enforcement unit, or as he is sometimes called, the special examiner.

We recommend that the Division require the caseworkers to submit to the Central Office, through their supervisors, a report on each and every overpayment, regardless of cause, listing the amount, the cause, and how the caseworkers feel it can be avoided in the future. It is recognized that the reports will take some amount of the caseworkers' time, but it is felt that the knowledge gained by these reports will ultimately save the caseworkers' time and will save money for the Division. These reports will supply information concerning the seriousness of this problem and allow the Division to initiate more stringent action concerning overpayments and prosecution of violators.

4. Agreement with Employment Security Department

As noted in a number of sections of our audit report, many of the cases reviewed revealed that clients had been employed without the Welfare Division knowing.

We recommend that the Division attempt to make an agreement with the Employment Security Department, whereby the social security numbers of clients and their families can be compared with the records of the Employment Security Department. This comparison could be done through the use of data processing equipment and would reveal the earnings of clients each quarter. This would help to reduce the problem of unreported wages received by recipients from employers.

5. Home Visits Prior to Approval of Application

The Division does not require a home visit prior to approval of an application for aid. Of 666 cases reviewed in the three major aid programs, 325 were granted aid without a home visit prior to approval.

In our opinion, it would be difficult to establish need without first viewing the manner in which a person lives. We recommend that a home visit be required before aid is granted.

6. Indian Resource Verifications

In one of the files reviewed, we noted a discrepancy between the resources verified by the Bureau of Indian Affairs and those reported by the client's son. We contacted the Bureau of Indian Affairs at Stewart and learned that the reason for the discrepancy was that the last cattle count on the Pyramid Lake Reservation was made in 1963. Verifications of cattle ownership for Indians on the Pyramid Lake Reservation are of little value at this time.

We recommend that the Division contact the Bureau of Indian Affairs to see whether resource verifications for other types of resources or for other reservations are as outdated as that noted. It is also recommended that the Division try to determine another means of resource verification where it appears that the records of the Bureau of Indian Affairs are outdated.

7. Functional Use of the Division's Administrative Manual

The Division's new administrative manual is difficult for the caseworkers to use. All of the aid programs, including old age assistance, aid to the blind, aid to dependent children, child welfare, aid to the medically indigent, and Indian general assistance, are combined together. For a worker to determine what the rules and regulations are concerning one particular program, he must skip through the manual paragraph by paragraph, reading only those paragraphs applicable to the program he wishes to research. Combining all the programs together undoubtedly eliminates much duplication, but without an index, it becomes very impractical. The existing table of contents offers little assistance in locating a particular ruling or regulation, since it only covers major headings, and in some cases, the manual section reference is in error.

To make the manual more usable, we recommend that a complete index by assistance program be prepared for the sections regarding application, eligibility, resources, needs, and budgeting. The remaining sections of the manual can then be indexed as the Division desires.

8. Filing of Memorandums and Manual Changes

Some offices of the Welfare Division do not maintain a central file system for memorandums pertaining to revisions of their manual for aid programs. If a caseworker is assigned to ADC cases, he would be required to keep those memos and manual changes which pertain to ADC cases. If this person is transferred to another type of welfare program, he would not have the memorandums which pertain to the other program.

We recommend that all offices which do not have a central filing system of memos, initiate such a system. The memos should be filed in such categories

as travel, personnel, manual changes, etc. The central file should be indexed, and all personnel in the district informed of its use and application. With a thorough working knowledge of the manual and all its revisions, many of the problems reported in this audit will be reduced or eliminated.

9. Special Attention Cases

In a considerable number of the cases reviewed, it was noted that the amounts paid for fixed expenses, such as house payments, automobile payments, etc., often exceeded the amount of the client's reported resources, including his grant. When this situation continues year after year, it appears that the client may have resources or other income which he has not reported.

We recommend that in cases such as the above, the caseworker should try to determine, through interviews with the client and other verification procedures, what the source of the additional income is. If this process fails to disclose the source of the income, we recommend that the case be given to the caseworker's immediate supervisor, or referred to the special examiner for further investigation.

10. Caseworker Program Training

When a new caseworker comes to work, he is issued a "Caseworker Training Kit". This kit contains pamphlets, articles, government releases, etc., written on such subjects as "Causes and Cures of Poverty", etc. There are approximately 30 items of information in this kit relating to social work. The new caseworker is also required to read the manual and also practice determining eligibility and computing budgets on closed cases.

The new caseworker is also required to attend orientation sessions in the Central Office, but only so long as the Division has sufficient travel funds.

The Welfare Division has established a training program, but it is only partially utilized depending upon the district administration and/or funds

available. Some districts have several days of schooling; other districts assign cases to a new worker and send him out in the field immediately.

We recommend that the present training program be followed strictly and uniformly in all districts, with special emphasis being placed on reading and understanding the manual. There should also be a specific period of time set aside for each new caseworker to practice determining eligibility and computing budgets on either closed or hypothetical cases.

11. Outline for Use of Caseworkers

In our last audit report, we recommended that the Division prepare an outline for caseworkers, indicating the procedures to be used in each particular type of case. The outline was to include what to verify, how to verify it, and to cite some examples.

During our current audit, we observed the following:

1. The Division's new outline adequately describes the specific items of information required to be verified by the caseworker.
2. In actual practice, some of the caseworkers are not recording the separate answers to the individual questions as provided for in the outline form.
3. In one case, a caseworker was observed filling in answers before the interview was conducted.

We recommend that the caseworkers obtain separate answers to the individual items of information required to be verified, and only at the time of the interview.

12. (Deleted by action of Legislative Commission.)

13. Studies of Social Problems

NRS 422.230 states, in part:

> "The administrator shall have the following powers and duties:
>
> "(6) To conduct studies into the causes of the social problems with which the welfare division is concerned."

Presently, there are no such studies by any organized group or committee. There is no indication that there have been any or that any are planned. The problem areas are determined by the workers reporting to the supervisors the problems found with their clients, and the supervisors in turn relay it via the line of authority. In our last audit, we recommended that studies of the

various social welfare problems of Nevada be undertaken as soon as possible. This recommendation has not been followed.

We again recommend very strongly that organized groups or committees be formed to study the "causes" of social problems with which the Welfare Division is concerned. Such studies should be undertaken with the forethought of seeking solutions to the existing social ills with the ultimate purpose of reducing welfare costs.

14. Internal Control

In our opinion, the present accounting procedures for the recording of money received by the Welfare Division are inadequate.

We recommend the following:

1. All money received by the Welfare Division should be recorded in one cash receipts journal. This journal would be designed to provide space for a complete analysis regarding the various sources of money received and information regarding the particular welfare program for which the money is to be used.
2. Receipts should be prepared by the Welfare Division immediately at the time the money is received and not at a later date.
3. A complete file of prenumbered receipts should be maintained in numerical sequence. All prenumbered receipts should be accounted for. Periodic reconciliation between amounts received per prenumbered receipts and amounts received per the cash receipts journal should be made. Copies of these reconciliations should be retained for future review by the auditors.
4. District offices should be required to use only the proper receipt forms as prescribed by the Central Office.

15. Destruction of Leave Records

Annual leave and sick leave requests and records of compensatory time for the year 1965 and earlier were destroyed by the program specialist to make space available in the files. A request to destroy was not obtained as required in NRS 239.080.

We recommend the following:

1. A Record Retention Schedule should be filed with the Department of Administration, in accordance with the State Administrative Manual, section 0812.
2. Before any records are destroyed, a request to destroy should be submitted and approved in accordance with NRS 239.080.
3. Fiscal records should be retained until the agency has been audited.

16. Contracts and Agreements

Our audit included a review of contracts and agreements entered into by or in behalf of the Director's office and Welfare Division. Results of our review are presented here, along with applicable recommendations.

A. Home Health Aides Contracts

We reviewed these contracts and observed the following:

a. Not all contracts are on file.

b. Contracts are filed as received and not in alphabetical order.

c. An inactive file is not maintained.

d. Payments were made for which no contract was ever entered into.

e. There are contracts in the files on which payments have never been made.

We recommend the following:

1. The agency should maintain a current copy of all contracts for which payments are being made.
2. Completed or inactive contracts should be filed separately.
3. All contracts should be filed in alphabetical order so that they may be located more easily.

B. Equipment Maintenance Contracts

We reviewed these contracts and observed the following:

a. An annual review of all contracts is not made.
b. Payments are made in amounts larger than those provided in the original contract. The vendors advise the agency of increases in their rates, but the contracts are not changed accordingly.
c. Payments are made for which there are no contracts in the agency file.
d. There are agreements on file which are not in effect any longer.
e. There are several contracts on file and in effect which have not been renewed for several years.

We recommend the following:

1. An annual review of all maintenance contracts should be made to determine if the service is still required.
2. Contracts which require renewal each year should be properly processed, in order to reflect rate changes.
3. Contracts which are no longer in effect should be filed separately.

C. Contract to Revise Manual

In March, 1965, the Division entered into an agreement with a California corporation to revise the Division's administrative manual, at a cost of $24,000. Under the terms of the contract, the work was to be completed by June 30, 1965, with a maximum of three 30-day extensions. The $24,000 cost was to be paid in installments of $6,000 at the time the contract was signed, $5,000 on or before the first day of May, $5,000 on or before the first day of June, and the remaining $8,000 on or before June 30, 1965, or in the event of an extension, when the services had been fully performed.

The contract was completed June 7, 1967, almost two years late. Even though the contract called for completion within ninety days after June 30, 1965, there was no penalty provided for in the contract for not complying. It should also be noted that final payment to the contractor was made on June 23, 1965, although, according to the contract, it was not to be paid until completion of the contract.

We recommend that future contracts entered into by the Division include a penalty for failure to comply with the provisions of the contract within the time allotted. Payments made under the contract should be made in accordance with the conditions contained in the contract.

D. Building Space Rentals

The following was noted in reviewing leases and agreements of all building space rentals:

a. Payments were being made on contracts in excess of the amount as stated in the latest agreement on file.

b. Contracts which stipulate that they will be continued on a "year to year" basis had not been reviewed, and there

were no letters in the file indicating whether or not revisions had been made, even though payments under such contracts are different from those stipulated in the agreement.

c. Yearly revision of contracts is not evident from a review of the contract file.

d. Payments were being made even when there was no contract or agreement in the file.

17. Equipment Inventory

Our audit procedures included taking a physical inventory of equipment at the Central Office in Carson City. The Central Office moved from the N.I.C. building to its present location in September, 1965. A physical inventory of the equipment has not been taken by the Division since the move.

The Central Office maintains a card file of all equipment in all division offices. The cards describe the equipment and indicate the division office to which it is charged. The cards do not indicate the specific room location of the equipment, nor the person responsible for its safekeeping.

Our inventory revealed that one manual typewriter charged to the Central Office was missing. Agency personnel were unable to offer an explanation of its whereabouts or possible disposal.

The Division has loaned equipment to other state agencies, and although it has records of equipment loaned, it did not obtain receipts from the borrowers. It was noted from Division records that one of the borrowing agencies had in turn loaned some of the equipment to still another agency.

We recommend the following:

1. Each division office should set up a card file for all equipment charged to it.

2. A physical inventory should be taken and reconciled to the cards once a year.

3. Locate all equipment loaned to other agencies and obtain receipts for each item on loan.

18. Purchase of Office Supplies

An analysis of office supplies purchased by the Welfare Division during the fiscal year 1966-67 indicated that of approximately $24,000 expended for this purpose, $7,500 was purchased from independent vendors. This is approximately 31 percent of total purchases of all office supplies.

The Welfare Division has shown a great improvement in obtaining office supplies through the Purchasing Division. We feel that it should further reduce the amount of office supplies purchased from outside vendors.

19. Reproduction Equipment and Costs

(Deleted)

20. Time Studies

In our last audit, released in 1964, we made recommendations concerning time studies in connection with cost allocations of administrative costs in federally subvented programs.

We recommended that the Division change from the weighted work unit to the gross time method in prorating the allocation of funds subject to federal matching participation. We recommended that the Division make studies at frequent intervals and maintain daily time records of employees, in order to determine which method would most benefit the State of Nevada. It was pointed out that because of the agency's failure to conduct such studies in the past, the State had lost benefit of considerable federal subventions.

These recommendations have never been followed. We again make these recommendations, in order to minimize any possible loss of federal funds.

21. County Participation in Welfare Services

Under the provisions of NRS 432.020, 432.040, 432.060, and 432.070, the counties are required to provide 33-1/3 percent of the non-federal share of all expenses for maintenance in the program of public child welfare services.

During the fiscal year 1966-67, the counties' share of the cost and payments to the State of Nevada were as follows:

Total Counties' Share of Non-Federal Expenses	$134,447.61
Amount Paid by Counties	129,134.79
Balance Due to the State of Nevada	$ 5,202.82

The amount of the balance due is represented by amounts owed by certain counties to the State of Nevada, less refunds owed by the State of Nevada to the counties. These amounts are summarized as follows:

Total Amount Due from Certain Counties	$5,849.14
Less Refunds Owed to Certain Counties	646.32
	$5,202.82

We recommend that the Welfare Division initiate the appropriate action to collect the amounts due from the counties and to provide a refund to those counties which have overpaid.

We recommend that the Welfare Division maintain a system of records which will, at all times, properly reveal the correct amount of each county's share of these costs and the balance due to the State of Nevada.

22. Compliance with Administrative Procedure Act

The Welfare Division is not fully complying with NRS 233B.070 by not filing the required copies of all of their regulations with the Secretary of State before making the regulations effective.

We recommend that the Welfare Division establish a proper procedure which would result in full compliance with the statute.

23. DISPOSITION OF RECOMMENDATIONS AND SUGGESTED LEGISLATION OUTLINED IN PREVIOUS AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 1963

Audit Item No.	Administrative Recommendations	No Action	Partially Implemented	Fully Implemented
1.	Records of Compensatory Time			X
2.	Purchase of Office Supplies		X	
3.	Welfare Administrator's Duties		X	
4.	Gift Fund			X
5.	Equipment Inventory Control	X		
6.	Administrative Overpayment Errors	X		
7.	Recipient Payroll Warrants			X
8.	Overpayment Deposits		X	
9.	Quality Control			X
10.	Possible Loss of Federal Subventions	X		
11.	Personnel Educational Stipends			X
12.	Licensing of Adoption Agencies			X
13.	Revision of Manual			X
14.	Caseworker Program Training		X	
15.	Investigation of Recipient's Resources		X	
16.	Verification of Recipient's Resources		X	
17.	Responsible Relatives Contributions	X		
18.	Home Visits - Old Age Assistance		X	
19.	Aid to Dependent Children Programs:			
	A. Home Visitations	X		
	B. Warrants Send to Home Different from Where Child Resides	X		
	C. Prepare Outlines		X	
	D. Verification by Supervisors	X		
	E. 100% Review by Supervisors	X		
	F. Supervisors Knowledge	X		
	G. Occasional Review by Field Representatives	X		
20.	Bureau of Services to the Blind	No longer part of Welfare Div.		
21.	Business Enterprise Contingent Fund	No longer part of Welfare Div.		
22.	Aid to the Blind Program:			
	A. Residence Verification	X		
	B. Payment of Grants Without Verification of Legal Blindness			X
	C. Cooperation between Aid to the Blind and Services to the Blind	X		
	D. Budget Errors	X		
	E. Supervisors Knowledge	X		
	F. Priority Given to New Applicants in Order to Receive Federal Monies	X		
	G. Combine AB and Services to the Blind to Eliminate Duplicate Work	X		

23. (Cont.)

Audit Item No.	Administrative Recommendations	No Action	Partially Implemented	Fully Implemented
23.	Foster Home Care:			
	A. Home Visitations	X		
	B. Summary of Information With Respect to Children Not Included in Narrative	X		
	C. Notice to Central Office of License Terminations	X		
	D. Homes Operating Without License	X		
	E. Home Study Performed	X		
	F. 100% Review by Supervisors			X
	G. Caseworker Familiarity with Manual		X	
	H. Supervisor Familiarity with Manual		X	
	I. Relicensing Without Home Visitations	X		
	J. Central Office File of All Licensed Foster Homes in State	X		
24.	Time Study Analysis:			
	A. Change to Gross Time Method	X		
	B. Daily Time Records by Federal and State Programs	X		
	C. Continuing Studies	X		
25.	Division Communications			X
26.	Summary:			
	A. Understaffed		X	
	B. Division Without Full-Time Administrator			X

AID TO DEPENDENT CHILDREN

1. Personal Property Reserves

Subsection 1 of NRS 425.080 states, in part:

> "No assistance under this chapter shall be granted or paid to any dependent child who owns, or whose needy relative owns, personal property or marketable non-income-producing real property, the combined cash value of which exceeds $500 at the time application for assistance is made, or while in receipt of such assistance. . ."

One of the most obvious types of personal property reserve is a bank account. Yet of 363 cases reviewed, only 100 revealed verification of bank accounts at the time of the initial application, and less than nine percent were verified on an annual basis thereafter. The Las Vegas district verified bank accounts at the time of the initial application in only 14 cases of the 214 we reviewed.

We recommend that all bank accounts in all districts be verified, without exception, at the time of initial application and annually thereafter.

2. Excess Personal Property Reserves

Section 2-03-006-0 of the Division's administrative manual states, in part:

> "An applicant or recipient may possess personal property resources not to exceed $500 for the needy caretaker and the first child, plus $150 for each additional child."

In one case reviewed, the client had, according to the bank confirmation on August 26, 1966, a bank account in excess of the amount allowed, plus she had savings bonds in a safety deposit box. The caseworker took no apparent action and allowed the excess reserve.

In another case, a client received a $3,500 out-of-court settlement of a personal injury suit, and yet he continued to receive welfare benefits.

We recommend that when the excess personal property reserve is approaching the maximum, or when there are items of an unusual nature, a Welfare Division supervisor should be required to review the case and either approve or disapprove the case.

3. Real Property

NRS 425.070 states, in part:

> "The welfare division shall, in determining reasonable value, take into consideration the assessed value of the property, the basis for assessment, any encumbrances on the property, and the economic and other circumstances of the child and needy individual."

The Division does not fully comply with the provisions of the statute. The Division's administrative manual, section 2-03-021-0, states, in part:

> "The standard of reasonable value for real property (regardless of equity) occupied by an applicant or recipient as a home shall not exceed the current verified county assessed valuation of $6,650."

We recommend that the Division revise its administrative manual to comply with the above quoted statute of NRS, by not only limiting the value of the property, but also considering the applicant's equity in the property. In considering equity, a maximum amount allowable should also be established.

The Division's administrative manual, section 2-03-000-0, states, in part:

> "In determining initial and continuing eligibility, there are three general types of resources which require evaluation and

verification."

The second type of resource to be evaluated under this section is:

"Real property occupied as a home or real property held in lieu of other types of personal property, within agency and program limitations."

We reviewed 371 cases, and in only 155 of these cases did the Division verify the property ownership prior to approval of the initial application. Verification for continuing eligibility by the Division for these 371 cases was less than 12 percent.

We recommend that property ownership be verified for all cases at the time of application, and re-verified when continuing eligibility is being determined.

4. Changes in Living Arrangement and in Financial Situation

At the time of each reinvestigation, the clients sign a statement which says that they will report, among other things, changes in the household composition or living arrangements and changes in the financial situation. The number of cases noted where substantial changes were not reported and later discovered by caseworkers are so numerous, it is impossible to list them all. These unreported changes include marriages, receipt of social security benefits, children for which aid is received leaving the home, employment, child support, receipt of unemployment insurance benefits, and return of the husband to the home.

In one case, the client had two marriages which she did not report; the Division calculated that she was overpaid $851 during the period of the first marriage, but did not calculate an overpayment due to the second marriage; she has worked on a number of occasions, which were not reported, and at one time,

she had worked 16 months before the Division learned of it; she drew unemployment insurance benefits seven months on at least one occasion, which was not reported; and in the latest episode, one of her two children was out of the home for a year before the worker learned of it.

In another case, the client was overpaid $1,160 because of an unreported marriage and employment on seven different occasions. Of this amount, she has been required to repay only $61.

Another case reviewed revealed that the client was overpaid on five separate occasions. The reasons were as follows:

1. Twice because the children had left the home.
2. Twice because of employment.
3. Once because a sixteen-year-old child was no longer attending school.

In many cases, when a client fails to make the required report of changes, and the Division fails to require restitution, it is possible that this same client will commit other similar offenses in the future.

5. Residence Verification

NRS 425.060 requires one year's residency immediately preceding application for assistance. Residency was not verified adequately in 15 of the cases reviewed. Ten of these were in the Reno district and represented approximately 12 percent of the total cases reviewed by us in that district.

We recommend that the residency required under NRS 425.060 be verified and documented in the case file.

6. School Attendance and Grades

The Division's administrative manual, section 2-02-065-0, states, in part:

"A child 16 to 18 years of age is eligible for ADC only if he is regularly attending school and obtaining passing grades unless he is out of school because of illness."

In one of the cases reviewed, the only child in the home was sixteen years old and was attending school, but not receiving passing grades. The caseworker noted in the narrative that the boy appears to be failing all his courses in school this semester, and during two years in high school, should have earned a minimum of eight credits, but has only earned one and a half. There was, therefore, a $470 overpayment in this case through October, 1967, and payment was continuing.

We recommend that this case be reviewed and that the appropriate action be taken, in accordance with section 2-02-065-0 of the manual.

7. Establishing Paternity

Section 2-02-048-0 of the Division's administrative manual states, in part:

"When paternity has not been legally established, every effort shall be made to do so."

We reviewed 371 ADC files, of which 317 had illegitimate children in the home, and some of which had three or more putative fathers. Admission of paternity by putatave fathers was obtained through the efforts of the Division in about 12 instances. There were no instances noted where paternity was established through legal proceedings.

The above noted section of the Division's administrative manual further provides that where voluntary admission of paternity cannot be obtained, the pertinent facts in the case should be submitted to the special examiner. We recommend that in addition to the special examiner, such facts also be submitted

to the local district attorney's office, as in some cases the district attorney is able to secure voluntary admission of paternity, where the Division cannot. We also recommend that the Division contact the Legal Aid Society in the two larger counties, as there is a possibility that these societies can help establish paternity through court action.

Our review of the ADC files revealed that only 10 of the 134 cases where voluntary admission of paternity could not be obtained by the caseworker were referred to the special examiner. In one of the cases not referred, the caseworker stated in the narrative that, "The worker informed Miss A that since Mr. B was going into the service, the matter of paternity action could be pursued through Mr. B's commanding officer and could possibly cause him a great deal of trouble. It was therefore suggested that Miss A think this situation over and, with the realization of what this could do to Mr. B's service career, she should give careful consideration to the matter of paternity of her child." It should be noted that Mr. B was entering the Army as a draftee.

We recommend that the caseworkers comply with the provisions of the manual in referring paternity cases to the special examiner.

8. Putative Fathers

The Division's administrative manual, section 2-02-046-0, states, in part:

> "A child is ineligible for ADC if the mother refuses to give information regarding the putative father."

In one case reviewed, the client was divorced in September, 1965, and applied for aid in March, 1966. In September, 1966, the client had another child. She insists that the child belongs to her last husband and that she was pregnant at the time of the divorce.

In another case reviewed, the client refused to give information concerning the putative father, as he was married. Eventually she did report a putative father, shortly after he died.

In both of the above cases, funds were paid before the mother gave information regarding the putative father. We recommend that caseworkers comply with the provisions of the administrative manual.

9. Social Security Benefits

During our review of 371 ADC files, we noted at least four instances where the children may qualify for social security benefits under the account of their deceased father or mother. They may, in fact, be drawing such benefits, which the caseworkers have not verified.

We recommend that the Division review these four cases, and if benefits are not being paid, help the clients apply for such benefits.

10. Transportation for Employment

Under the provisions of the Division's administrative manual, section 2-03-035-0, a recipient is allowed transportation costs to and from employment, and this section states, in part:

> "Public transportation, if available, or ten cents per mile if the recipient uses his own automobile."

The above quoted section of the Division's administrative manual is not quite clear as to whether the use of a client's own automobile is authorized if public transportation is available. In one case, it was noted that the recipient was allowed $140 a month at ten cents a mile for transportation to and from her work. Public transportation is available at approximately $35.70 a month.

We recommend that the Division review the transportation needs in this case, that the manual be clarified as to whether public transportation must be used when it is available, and that the Division review the ten cent per mile personal car use rate, as this appears excessive for the purpose of public assistance.

11. Incapacitated Adults

Under the provisions of the Division's administrative manual, section 2-02-037-0, an incapacitated adult can be included in the grant, provided that the incapacity is verified by a medical examination. This section also states, in part:

> "A request for review by the Medical Consultant, routed through the Chief of Field Operations, shall be made only if definite question about incapacity exists."

During our review of the Division's files, it was often noted that items left to the discretion of the caseworkers as to whether they should be referred to a higher authority or an expert in the field, were very rarely passed on to a higher authority for review. As an example of this, one incapacitated adult had three medical examinations in a twenty-month period with the following general impressions by the examining physician: After the first examination, he stated that the patient "appears more anxious than ill"; after the second, he stated that the patient "does not appear ill"; and after the third, he stated that the patient "does not appear acutely ill".

Although the parent in the above example may have been truly incapacitated, it is felt that the Medical Consultant for Welfare should have rendered an opinion in this case.

In another case, a parent was admitted to a Veterans' Administration hospital as a result of a severe beating. At the time of the parent's release, the discharging physician submitted a medical report that stated that the patient had responded to treatment, could do any type of work, was able to return to his former work, and that his work tolerance was strenuous. The caseworker disregarded this medical report, stating in the narrative that she felt that there was still some disability left, and since the discharging physician that filled out this medical report was not the same doctor that had originally handled the case, the caseworker would wait for his report.

In researching the Division's administrative manual, we can find no authority for the caseworker to disregard the findings of a physician.

In view of the small number of incapacitated parent cases, and the fact that physicians' examination results are normally stated in medical terms, we recommend that a medical consultant's approval be required for every incapacitated parent's examination, and that the Division's administrative manual be revised accordingly.

This manual section provides further that, unless the incapacity is permanent, there must be a re-examination at the end of the period set by the examining physician, and that such re-examination will generally be at least every three months.

Most re-examinations are not completed within the three-month period allotted. In the first example above, there was a period of thirteen months between the first and second examination, and another six months before the third examination, in spite of the fact that there was apparently nothing wrong with the individual.

We recommend that re-examinations for incapacity be completed in compliance with the manual.

12. Assistance Obtained by False Means

NRS 425.240 states:

> "Whoever, by means of a false statement or representation or by impersonation or other fraudulent device, obtains assistance or aids or abets any person to obtain assistance to which he is not entitled shall make restitution and all actions necessary to secure restitution may be brought against him."

The Division's administrative manual does not give instructions to caseworkers on the methods to be employed in recovering funds obtained by false means, other than that such a case must be referred to the special examiner. There are varying opinions among Welfare personnel as to what constitutes obtaining funds by false means. In some instances, the caseworkers tend to lean in favor of the client.

In one case, the client received an overpayment of $752 during 1959 and 1960, due to unreported employment. The caseworker referred the matter to the district attorney, and a repayment schedule was arranged. Of the $752, $30 was recovered. Since that time, this same client has obtained another $293 overpayment, again due to unreported employment on four different occasions, and another $115 due to an unreported marriage. There is no record in the file of any referrals to the special examiner, and of the $408, only $31 has been recovered.

Numerous examples of this type were noted in our review of the files. We recommend that the Division establish specific rules with regard to what type of cases should be referred to the special examiner, and that repayment in full be obtained in compliance with the above quoted section of NRS.

13. Referrals to District Attorneys in Aid to Dependent Children Cases

NRS 425.040, subsection 3, states:

"The department, through the welfare division, shall:

"3. Cooperate with the district attorney of each county to the extent necessary to ensure the immediate availability to such district attorney of all information concerning absent or nonsupporting parents."

NRS 425.150, subsection 1, states:

"1. Whenever a person applies for assistance pursuant to this chapter, the welfare division shall immediately notify the district attorney of the county, or, if the district attorney is not the appropriate official, the Superintendent of the Nevada Indian Agency or the Indian Service Special Officer, that such application has been made."

The above statutes became effective April 20, 1967. During the course of our audit of Welfare's district office in Reno, we made an analysis of all ADC cases referred to the district attorney of Washoe County from May 1, 1967, through November 30, 1967. Of 163 ADC cases which were either new or re-opened since May 1, 1967, it was noted that 39 such cases were not referred to the district attorney. An analysis of the 39 cases indicated that the majority of them were not referred because paternity had not yet been established by the Welfare Division. There is no reference in chapter 425 which indicates that Welfare must establish paternity before referring a case to the district attorney.

Since the law specifically states that, whenever a person applies for assistance under the provisions of chapter 425, the Welfare Division is required to immediately notify the district attorney in the county, we recommend that the Welfare Division immediately begin complying fully with this law.

Section 2-02-042-0 of the Division's administrative manual states, in part:

> "Although the district attorney is primarily responsible for locating deserting parents, efforts should be made to locate absent parents."

Section 2-02-043-0 states, in part:

> "When every other reasonable effort has failed, information may be requested from the Social Security Administration in Baltimore, Maryland. This request shall be submitted by the Special Examiner. District offices shall initiate such request by completing and sending form 7-02-081-0, along with form 7-02-075-0, to the Special Examiner."

We did not find any instances where the Special Examiner had requested information from the Social Security Administration in Baltimore, Maryland.

We recommend that all procedures outlined in the manual for locating absent parents to obtain support be utilized, including the use of the files of the Social Security Administration.

OLD AGE ASSISTANCE

1. Residency Requirement

NRS 427.200 lists the qualifications to receive old age assistance. The second qualification under this statute is as follows:

> "Is a resident of the State of Nevada who has actually resided in this state for a period of five years or more during the nine years immediately preceding the making of the application for such assistance, the last one year of which shall have been continuous and immediately preceding the making of such application."

Residency was not verified in 22 of the 566 cases reviewed. In some of these cases, there is no indication how residency was verified, or even if it was verified. In others, the residency was verified, but for a period less than the five years required.

We recommend that the Welfare Division require proper verification of residency, and that the individual case files be properly documented.

2. Establishing Financial Need

In one case reviewed, it was noted that a client had deposited over $10,500 in the bank on March 8, 1964, and on August 29, 1965, he still had a balance of $7,200 in the bank. This client applied for aid on October 5, 1965, and at that time had a bank account balance of $50, and therefore, in five weeks, had disposed of more than $7,100. His explanation of the situation was that he played keno.

It should also be noted that, in the past, this same client had owned shares of stock, and yet there is no indication in the file that the possibility of this person still owning stock has been investigated.

We recommend the following:

1. That in cases such as the above, a more thorough investigation be performed as to how the money was spent.
2. That this welfare recipient's eligibility be thoroughly reevaluated.

3. Property Transfers to Relatives

We noted two cases of property transfers to relatives, making the clients ineligible for aid. Under the provisions of the Division's administrative manual, section 2-03-018-0, a client is ineligible for a period of months calculated by multiplying the client's need according to agency standards by two, and dividing the product into the value of the property less encumbrances. The resulting whole number is the number of months for which the client is ineligible for assistance.

In one of the cases, the client had property with an assessed value of $800, but a true value of about $1,400, which she sold to her son for $50. Using the formula noted above, this client was ineligible for six months, and was overpaid $600 during this period of ineligibility.

In the second case, the client owned 160 acres of land, which had a value in excess of the maximum allowable reserve, and since this property had never been listed for sale, the client has been ineligible since she started receiving assistance in March, 1963. When the auditor reviewed this case in September, 1967, he requested that the caseworker determine the value of this land and whether or not it was saleable. Upon investigation, the caseworker determined that the client had transferred this property to her two daughters in April, 1966. The caseworker has since advised the client to get the property back and put it up for sale. This would not appear to be within the powers of the

caseworker. The caseworker should have followed the provisions under section 2-03-018-0, as stated above. This same client also received over $1,200 illegally by not reporting her Veterans Administration benefits.

We recommend that the Division reevaluate these two cases and take the necessary action to comply with the manual and that all future such transactions be in compliance with the manual.

Section 2-03-018-0 of the Division's administrative manual states that in determining the period of ineligibility due to a transfer or sale, the maximum personal property reserve must be deducted before the ineligibility is calculated. In the case of a transfer or a sale in which the amount of money received is less than the amount of the reserve, it is not proper to deduct the maximum personal property reserve. The Division's administrative manual, section 2-03-002-0, states:

> "The purpose of this reserve is to permit the client to have resources which can be used to meet the future or emergency needs for which the department can make no allowance. Giving or donating a resource to a relative, friend, or organization, cannot be considered as meeting 'future or emergency' need, since the client would be divesting himself of a resource."

We recommend that the Division revise manual section 2-03-018-0, advising the caseworkers that only the amount of cash received can be deducted from the maximum personal property reserve.

We observed at least one instance where the caseworker did not calculate a period of ineligibility when a client sold her property. The client was dropped from assistance, but she subsequently reapplied. The reapplication was

filed 12½ months prior to the expiration of her ineligibility period, but she was approved for assistance anyway. She was overpaid $1,453 in the 12½ month period.

We recommend that the Division calculate a period of ineligibility in each case where the client sells or transfers property, and insert a large note in the file stating that the client is not eligible for aid again until a certain date.

4. Resource Verification

The Division's administrative manual, section 2-03-004-0, states:

> "An applicant or recipient may possess personal property resources not to exceed $750.00. In case of husband and wife, when either or both is a recipient, the combined resources held as personal property reserve shall not exceed $1,500.00."

Section 2-03-000-0 states, in part:

> "Since resources are subject to change, they must be redetermined at the time of each annual review and more frequently if indicated."

There are many types of resources which must be checked. Following are a number of these types of resources, the results of reviewing 566 files, and a few examples of the items noted in these files:

A. Bank Accounts

Bank Accounts were verified at the time of initial application in only 314 of these files. In the Las Vegas district, we checked 185 files; 182 of these had not had the bank accounts checked at the time of initial application. On an annual basis, only 82 of the 516 files a year or more old were checked for bank accounts. In the Las Vegas district, none of the 166 cases a year or more old had had bank accounts checked.

The Las Vegas district contends that bank accounts are too hard to verify because there are so many banks in the Las Vegas area. However, actual need cannot be established until the bank accounts are verified. As an example, a client applied for aid and banks were checked in her city with no results, but upon the annual reinvestigation, one year later, banks were also checked in a neighboring city, and it was learned that she had a $1,363 bank account. Further verification revealed that she also had $2,500 in postal savings, plus another $300 in interest on these savings. The $1,384 received illegally by this client was repaid, but it should be noted that she reapplied during 1967, and bank accounts were not checked again.

B. Insurance Policies

Insurance policies do not fluctuate as much as bank accounts do, but in most instances, the caseworkers feel that they can determine the cash surrender value by reading the policy, and they do not check them.

In one such case, the caseworker calculated the cash surrender value of two insurance policies as $249.36 and $211.85. On the first annual review one year later, a confirmation was requested from the insurance company, and it was learned that one policy was worth $495.02 and the other $414.55. This made the client ineligible.

In another case, the cash surrender value of an insurance policy was checked for the first time seven years after the client went on aid, and here, too, it was determined that the client had excess resources and was not eligible for aid.

In a third case, the cash surrender value of an insurance policy was checked for the first time thirteen years after the client went on aid, and it was determined that she had excess resources at the time she first went on aid.

In a fourth case, the cash surrender values of three insurance policies were checked for the first time 20 months after the client had started receiving aid. The results were that the client had excess resources at the time of application for aid and payments had been made to her while she was ineligible.

C. Social Security Benefits

Social security benefits apply now to almost everyone reaching the age of 65. Yet, in reviewing the 566 files, we noted that in 72 cases, social security benefits were not verified at the time of initial application, and in 112 of these cases, it was not verified on an annual basis. It was also noted that the Division checked social security benefits on the spouse of 124 of the 154 married clients at the time of initial application, but only checked 29 of the spouses' benefits on an annual basis.

Failure to check social security benefits resulted in numerous costly errors. Following are a few examples:

A 1965 verification request revealed that one client had received unreported benefits for 110 months, which resulted in a $3,846 overpayment. Further checking revealed that her husband, who had been on aid, had received benefits for 60 months, which resulted in another $1,800 overpayment.

In another case, it was learned that the client's wife, who was included in his grant, had been receiving benefits for 14 months, which resulted in a $488 overpayment.

The wife of another client had received benefits for 12 months when it was discovered, and the resulting overpayment was $540.

In another case, the worker did not verify the benefits at the time of initial application, but did suggest that the benefits be checked in four months by the next worker. The succeeding worker failed to request verification until the annual reinvestigation, at which time it was learned that the client had been drawing benefits all the time, even though she had reported at the time of application that she wasn't drawing benefits. The overpayment for the 12 months involved amounted to $526.

A $521.80 overpayment was discovered in another case where the wife had been drawing unreported benefits for 12 months.

D. Veterans Administration Benefits

Benefits from the Veterans Administration are not as easy to verify as social security benefits, but if the caseworkers would take time to learn the background of each client and his spouse, it should be fairly simple to check possible veterans benefits.

In 1967, benefit requests to the Veterans Administration revealed that one client who had been on aid since 1963, had started drawing benefits in June, 1965. From June, 1965, until May, 1967, this client was overpaid $1,207.75.

In another case, a 1966 check revealed that a client's veterans pension had been increased $4.00 per month 14 months prior, which resulted in a $56 overpayment.

E. Property Holdings

Of the 566 files reviewed, 106 indicated no property ownership check at the time of initial application. We checked for annual property holding verification in 317 files. Only 42 of the 317 files had been checked annually for property ownership.

In one case, the caseworker verified that a client had no property in the county in which she was applying, but the caseworker did not verify ownership in the client's original residence county. Two months later, the client moved to California, and during a reinvestigation conducted by a California worker, it was discovered that the client had a home and a bank account, which made her ineligible for aid.

F. Inaction by Welfare where Resources Excessive

A review of several of the files revealed that amounts allowed for resources were in excess of the amount permitted under the regulations of the program. There were no indications in the files that the workers acknowledged these excessive amounts. Following are a few examples:

The resource check at a bank in November, 1966, revealed that a client had a savings account in excess of that amount allowed. When we reviewed this file in September, 1967, no action had yet been taken with respect to the bank account, nor had the caseworker even acknowledged in the file that the excess had been noted. No overpayment was calculated in this case, as the record did not indicate how long the client had been ineligible.

In another case, a client applied for aid in September, 1966, and aid was denied on the basis that he had excess personal property reserves. The client reapplied in March, 1967, and at that time a new worker approved

his aid, even though the personal property reserve was substantially the same. The client's livestock was considered at the assessed value only, and not true value. A farm-all tractor and an old truck were listed at no value. A 1960 automobile was listed at $325, and a brand new truck was listed at low bluebook value, less encumbrances, in the amount of $56. A 1962 truck, which was then used as the essential vehicle, was listed at $600. In addition to the property just listed, which is in excess of that amount allowed by the program, there was no indication that the caseworker investigated the possibility that some of this client's more than 10½ acres may also be excess property, as is required under the Division's rules.

In another case, the Division verified in July, 1964, that a client had cash and cattle valued in excess of the amount allowed, and a 1967 verification indicated that the cattle count had increased by two and the bank account had also increased. Yet, nothing has been done in this case. Payments have continued to an ineligible client for over 3½ years.

The cattle holdings of still another client were in excess of the reserve allowance in June, 1960, and the only time this client was declared ineligible was in the early part of 1964, when it was determined that she had sold some of these cattle, and she was ineligible for a period of four months. In April, 1967, the department learned that this client had signed all of her cattle over to her daughter. This client continued to receive welfare payments.

Another case was noted where a client held a mortgage note which, when discounted and combined with other resources, had a value in excess of the amount allowed and rendered this client ineligible for the first seventeen months she was on aid.

From the above examples, it can readily be seen how necessary it is to verify all types of resources, both at the time of the initial application and annually. Furthermore, it is not sufficient to simply check the resources of a client. The financial information obtained from such investigations must be properly reviewed and analyzed, and appropriate action must be taken. In some of the above examples, the recipients were overpaid substantial amounts. It appears that the caseworkers either do not fully understand the rules and regulations pertaining to the program, or they are disregarding the findings of their resource verifications.

We recommend that the following steps be taken:

1. All types of resources should be carefully checked at the time a client initially makes application.
2. All resources should be carefully verified annually with special consideration being given to any recent changes in benefit payments or other types of payments.
3. All caseworkers should verify resources in compliance with the manual.
4. All insurance policies should be verified as to the cash surrender value on the date of application and at the time of reevaluation.
5. The Division should establish more stringent rules and regulations with regard to approval of initial and continuing eligibility where a client's resources approach the maximum reserve allowed, or where there is ownership of unusual property, such as livestock, home situated on property of more than one acre, negotiable instruments, etc.

6. The caseworker should be required to list all property, how the property was valued, under what section of the Division's administrative manual it was valued, and the caseworker's recommendations.

7. The caseworker's supervisor should approve or disapprove the recommendation in writing, and this should become a permanent record in the file. We noted very few caseworker supervisor approvals in the files where unusual resources or circumstances were involved, and those that were noted, were normally in regard to permission to disregard overpayment. Although caseworker supervisors may have reviewed these unusual circumstances or resources, from the files it would appear that the caseworkers themselves made the decisions.

8. The caseworkers should be required to obtain statements from at least two real estate agents or other qualified disinterested parties as to the value of the property in excess of one acre and whether or not it is saleable by itself.

9. The caseworker should be required to obtain verification of all possible social security benefits by using account numbers of both the husband and the wife.

5. Relative Responsibility

Subsection 1 of NRS 422.310 states, in part, ". . .children of an applicant for or recipient of public assistance, if of sufficient financial ability to do so, are liable for support of such applicant or recipient." The Division has a form to be completed by responsible relatives, in order to determine their financial responsibility in accordance with the contribution scale set forth in NRS 422.320. This form is to be sent to such relatives at the time of initial

application and annually thereafter.

NRS 422.340 states, in part:

> "The welfare division shall advise the attorney general of the failure of a responsible relative to contribute to the support of a recipient of public assistance as required by law. The attorney general shall cause appropriate legal action to be taken to enforce such support, and in addition may collect a reasonable fee which shall be added to the cost of the action in any justice's court of the state, the expense of such fee and cost to be borne by the relative. . ."

The Division's administrative manual outlines the procedures to be followed when a responsible relative fails to return the required form or does not contribute in the amount of his liability. We reviewed the files of the Deputy Attorney General for the year 1967, and we found only three notifications of failure of a responsible relative to contribute. These verifications were all from one district and were submitted in March, 1967.

By memorandum to the Division administrator on March 23, 1966, and reiterated to the acting administrator on January 9, 1968, the Deputy Attorney General advised that:

> "In the opinion of counsel, there is no obligation at common law or under our statute for a child to support a parent, whether that parent is or is not a welfare recipient."

The Legislative counsel advised us that the case upon which the Deputy Attorney General based his opinion is not applicable to the problem at hand. He further advises that:

> "Under the separation of powers doctrine it is the function of

the judiciary to rule on the constitutionality of statutes.

The office of Attorney General is in the executive branch. . ."

Our legal counsel concludes:

". . .whether or not the statute is valid, the Attorney General has a mandatory duty under NRS 422.340 to enforce it until the courts determine it to be invalid."

We recommend that caseworkers, in compliance with NRS 422.340, advise the Attorney General of responsible relatives refusing to return the responsibility form or contribute in the amounts of their liability, and that the Attorney General take such action as is required by that statute.

The caseworkers have been extremely remiss in sending the required determination forms to responsible relatives. We recommend that the forms be sent to all responsible relatives at the time of application and annually thereafter. When second requests for the information have to be sent, they should be accompanied by a warning that the Attorney General is immediately going to start prosecuting those who are not contributing in the amount of their liability.

Responsible relative determination forms are usually not returned, and if returned by the relative, they are often obviously completed improperly, but no action is taken by the worker. In one example, forms sent to three different sons of one client were all returned signed in the handwriting of one person, although the names signed were all different, and on each form, it was stated that the person had no annual net income. There is no indication in the file that the caseworker even noted the similar handwriting, or the fact that each had no income, or that the caseworker took any action to determine the proper facts.

In another case, the client has five children. Responsible relative forms were sent to one son in 1966-67. These forms have not been returned to the Division. This son has an annual salary of $15,000, which would make him liable for a monthly contribution to his parent's support in the amount of $80 per month. His actual contribution has been to provide shelter and household operations, which under the Division's standards, amounts to $34.90 a month. When we discussed the matter with the son, he contacted the Division and requested that his parent be removed from public assistance, as he would assume the responsibility of supporting his parent.

Of 371 files reviewed in the Las Vegas and Reno districts, we noted that there was a total of 666 responsible relatives. Of the 666 responsible relatives, 28 are contributing in amounts ranging from $4.94 to $65 per month. The total monthly contributions amount to $775.51.

We recommend that the caseworkers thoroughly review the returned responsible relative forms, and where the forms are obviously in error, clarification should be requested and referrals made to the Attorney General, in accordance with NRS 422.340.

We recommend that the Division immediately review all cases regarding relative responsibility and report all applicable cases of failure to contribute or failure to report to the Attorney General.

6. Responsible Relative Determination Form

The present form used to determine the liability of a responsible relative requests that the relative fill in the amount of his annual net income, in accordance with the Division's definition of net income. Our review of the old age assistance files revealed that the responsible relatives often indicate their net income as zero or none or no.

We recommend that the Division revise its relative responsibility determination form to include a space for adjusted gross income as reported on the relative's last federal income tax return. This will provide the Division with some idea of what amount of deductions the relative has used in arriving at his reportable net income. We recommend that the form be revised so that the signature of the relative also authorizes the Division to obtain a copy of his latest income tax return from the Internal Revenue Service.

7. Relieving a Responsible Relative of His Liability

Section 2-03-069-0 of the Division's administrative manual states, in part:

> "If a parent or relative feels that the amount of contribution specified in the law will create a hardship for him, the worker should study the circumstances carefully to understand the basis of the claim. From the review of the circumstances, the worker shall make a decision."

During our review, we noted that caseworkers will relieve a relative of his responsibility for very little excuse.

We recommend that a responsible relative requesting relief because of a hardship be sent a form requiring an accounting of his monthly income and expenses, including names of the creditors. When this form is returned, the decision to relieve the relative of any or all of his responsibility should be approved by the district administrator.

8. Annual Home Visits

The Division's administrative manual, section 2-01-033-0, states, in part:

> "A home visit shall be made, except in those areas where weather or other circumstances make it impossible."

This section states further:

> "A redetermination interview must be with the recipient in person. It shall be made on each AB and OAA case within twelve months of the date of application, and within twelve months of each redetermination thereafter, or more frequently if the situation so indicates."

Of the 566 cases in our sample, we reviewed the annual home visitations in 485. Of the 485, 50 had not yet been open a year, leaving 435 subject to annual visitations. In 217 cases, the annual visitation was properly performed, while in 218, it was not.

In one case reviewed, the client applied for aid on August 27, 1951, and the first recorded home visitation in this file was August 23, 1967, 16 years after the initial application was taken. During this 16-year period, the client had been on assistance for 10 years.

The lack of home visitations was a major criticism in our last audit report. We feel that it is extremely necessary to visit the home and review the manner in which the client lives, in order to establish initial or continuing eligibility. We recommend that such home visitations be made in compliance with the manual in all cases.

AID TO THE BLIND

1. Residence Requirement

Subsection 1 of NRS 426.140 states:

> "1. Each blind person who has become blind while a resident of the state, or who has been a resident of this state for at least two years out of the last nine years with one year immediately prior to application, shall be entitled to receive aid to the blind as provided in NRS 426.010 to 426.500, inclusive."

In our review of 50 blind recipients' files, five did not include adequate documentation of residency or the fact that the person became blind while a resident of the state. In two of these cases, the residency was verified by verbal statements. The other three cases do not state how or if residency was verified.

We recommend that the Division thoroughly investigate and document residence verification, in order to establish the eligibility required in the above quoted subsection of NRS.

2. Resource Verification

Subsection 2 of NRS 426.210 states:

> "2. Any other real or personal property owned by a blind individual and not occupied by him as a home, the aggregate value of which exceeds $1,500, less all encumbrances thereon, shall be utilized to meet current needs."

The most obvious type of personal property that should be verified is a bank account. In 19 of the 50 files reviewed, bank accounts were not verified at the time of initial application.

Real property ownership was verified at the time of initial application in only 28 of the 50 files reviewed. In one of the files where property ownership was verified at the time of initial application in 1956, the applicant had an interest in property other than that occupied as a home, which put his reserves in excess of the $1,500 allowed. No action has ever been taken on this case, even though the recipient still has excess property and is still receiving welfare benefits.

In another case, it was noted by the caseworker that the client had 14 head of cattle, and yet the client's eligibility was not questioned.

In another case, information in the file indicates that the client has moved to California. This makes her Nevada home, which is situated on 11 acres of farm land excess property, and makes the client ineligible for aid. Under the Division's rules, the client will continue to be eligible as long as she has the property up for sale at a reasonable price, but the Division has not asked this client to place the property up for sale as yet, even though the recipient has lived in California for over a year.

We recommend that the Division thoroughly investigate real and personal property reserves at the time of initial application, in order to establish need based upon the above quoted subsection of NRS. We also recommend that the Division investigate the cases enumerated above to establish continuing eligibility.

The Division's administrative manual, section 2-03-005-0, states, in part:

> "An applicant or recipient may possess personal property resources not to exceed $1,500."

Section 2-03-000-0 states, in part:

> "Since resources are subject to change, they must be redetermined at the time of <u>each annual review</u>, and more frequently if indicated."

There are many types of resources which the Division must verify. Among these are social security benefits, Veterans Administration benefits, railroad retirement income, wages, bank accounts, and property ownership. Of the 50 files reviewed, 45 had been receiving aid longer than a year and were therefore subject to the annual verifications of resources. Of the 45 cases, 11 were verified annually for social security benefits, 10 were verified for bank accounts, and 11 were verified for property ownership.

With respect to social security benefits, Veterans Administration benefits, railroad retirement, etc., it was often noted that clients who might be eligible for one of the above benefits were seldom counseled in this regard.

In one case, it is stated in the narrative that the father of an adult blind child is receiving social security benefits. There is a possibility that the adult child would also qualify for social security benefits under his father's account. It does not appear that the Division has investigated this possibility or advised the parent that the child may qualify.

We recommend that the Division impress upon its caseworkers the importance of determining the background of each applicant, and with that knowledge, advise the client of the various possible sources of benefits, and then help him apply for such benefits. We also recommend that resources be verified annually as required by the above quoted sections of the administrative manual, in order to establish continuing eligibility.

3. Visual Acuity

Subsection 2 of NRS 426.060 states:

> "2. No individual whose visual acuity with correcting lenses does not exceed 20/200 in the better eye, or whose vision in the better eye is restricted to a field which subtends an angle

of not greater than twenty degrees, shall be denied aid to the blind on the ground that he is not blind."

In one case reviewed, the client has been on aid since February, 1966, and apparently moved to California in the latter part of 1966. The Division received a letter from the California Department of Social Welfare, dated September 6, 1967, stating that the client is not eligible for aid in California because her vision is better than 20/200 in her better eye with correction. The Nevada caseworker should have immediately requested another eye examination as required by the manual, since the above noted letter indicates the person's sight has improved. At the time of our review on September 19, 1967, the examination had not been requested.

We recommend that where a person's sight is on the borderline of being blind or not legally blind, a re-examination should be required annually.

In another case reviewed, the Supervising Ophthalmologist stated that a re-examination was required in one year. This re-examination was due August 20, 1967, and as of October 14, 1967, the file contained no record that the examination had even been scheduled yet.

The narrative in another case mentioned that a required re-examination was performed, but the results are not in the file.

A re-examination made in another case had not been approved by the Supervising Ophthalmologist as required by the Division's administrative manual, section 2-02-029-0.

We recommend the following:

1. Supervisory and field representatives should review the welfare recipient's files.

2. The caseworkers should be required to maintain, on a current basis, complete documentation in the case files.

4. Annual Home Visitations

The Division's administrative manual, section 2-01-033-0, states, in part:

"A redetermination interview must be with the recipient in person. It shall be made on each AB and OAA case within twelve months of the date of application, and within twelve months within each redetermination thereafter, or more frequently if the situation so indicates."

Our review of the 50 AB cases revealed that annual reinvestigations had been performed properly in only 22 of 43 applicable cases.

We recommend that annual reinvestigations be performed in compliance with the above quoted section of the Division's administrative manual.

5. Aid Received by Means of False Statement

In one of the files reviewed, a welfare recipient failed to report the following changes during a two-year period:

1. Her husband and son were no longer members of the household.
2. Her husband had been institutionalized.
3. Recipient was also drawing unemployment benefits.
4. Acquisition of an additional 2½ acres of property.
5. Husband was able to purchase a recent model automobile.

The Division calculated that at least $880 was overpaid to this client. Restitution in accordance with NRS 426.070 has not been requested by the Division.

We recommend that the Division follow required procedures to secure restitution of this amount of overpayment.

6. Prompt Action on Applications

Section 2-05-042-0 of the Division's administrative manual states, in part:

> "Blind aid shall be payable as of the first day of the month in which application is made, . . ."

This section states further:

> "Whenever possible, the investigation should be completed and the Basic Action form signed by worker within the month the first payment is to be effective if the Division is to secure Federal matching on initial payments."

An application that takes three or four months to process results in the Division losing Federal matching funds for the retroactive payments made between the month in which the recipient applies and the month in which assistance is approved. In most cases reviewed, it was noted that the processing of applications for blind assistance resulted in at least two months' retroactive payments for which Federal matching funds could not be received, and in some cases, it was more.

One applicant applied on January 4, 1967. His eye examination was made on January 26, and received by the Division on February 3. This examination was sent for approval to the supervising ophthalmologist. It was approved by him on March 18, but was not received by the Division until April 3. Since eligibility was not established until April, 1967, the Division could receive Federal matching funds only for the month of April, and the retroactive payments made for January, February, and March were entirely state funds.

There appear to be two areas for improvement in processing aid to the blind applications:

1. Scheduling of eye examinations.
2. Securing the supervising ophthalmologist's approval.

We observed that most of the applications made in the last two years have taken six weeks to two months before the eye examination is completed.

We recommend the following:

1. The caseworker should make an appointment for an eye examination on the same day that the client makes a claim for welfare assistance.
2. The Division should submit eye examinations to the supervising ophthalmologist on the same day that they are received from the examining doctor, along with a notice explaining the need for immediate action by him in order to prevent the loss of Federal participation funds.

GROUP CARE FACILITIES

1. Non-Compliance with Statutory Requirements and Welfare Division Standards

Our audit procedures included a review of five case files of group care facilities licensed by the Division in the Reno area. While reviewing one of these case files, we found the following:

1. Of 19 required health certificates of examination for employees, only 6 were on file. One employee had a record of having had tuberculosis. There were incomplete reports on file for this employee.
2. Of 15 required fingerprint and F.B.I. reports, only 3 were on file. Two of the three F.B.I. reports revealed prior arrests.
3. Pursuant to NRS 431.040, this facility had operated for a period of 14 months without a license and 3 months with an improper license by not conforming to the requirements of the Health Division and the building inspector. In accordance with NRS 431.120, the person operating this facility may be guilty of a misdemeanor. There is no record in the files that the Welfare Division has made the proper effort to bring charges against this facility.

We recommend that the Division undertake a complete study of this facility and enforce the statutes and regulations regarding this situation.

2. Facility Visitations

We recommend that the Division require at least one unannounced inspection visit of every licensed group care facility each year.

3. Enforcement of Licensing Requirements

After reviewing the information and documents available, it appears that

the Central Office and the district offices of the Welfare Division have not devoted the proper amount of attention to the **enforcement of licensing** requirements for group care facilities.

We recommend that the Division correct this situation by requiring the licensing staff to properly perform its duties as set out in NRS and the Division's regulations.

UNWED MOTHERS

Section 2-02-074-0 of the Division's manual states, in part:

"Eligibility for financial aid from UMCA funds is established if the following factors are met:

"1. The applicant is illigitimately pregnant, which is defined as not having been married at the time of conception and at the time of application for service.

"2. The applicant is in financial need.

"3. The plan is to relinquish the child for adoptive placement."

We reviewed 18 case files of applicants and did not find any record of verification of real and personal property reserves.

In one case, expenses of $1,062 were paid by the Division for the care of a sixteen-year-old girl whose own father was employed and earning $200 per week.

We recommend that the Division establish procedures which would require a thorough investigation of the financial resources and reserves of each unwed mother applicant prior to approval for welfare assistance.

With respect to number 3 above, the babies were not relinquished in 3 of the 18 cases reviewed. Section 2-02-074-0 further states, in part:

"Any portion of the UMCA funds expended after an unwed mother makes the decision not to relinquish her child, shall be repaid."

The Division expended payments on behalf of only two of these mothers. One of the two mothers is currently making restitution, but the other mother has not been required to pay anything. In the latter case, the worker dictated in the narrative that nothing further had been heard from Miss C and, "We do not feel that she is in any position to pay back her bills, and we are not going to press for them."

We can find nothing in the Division's manual that makes it permissive for the caseworker to decide whether or not the mother will pay back the funds. We recommend that in the future the Division obtain a signed agreement for repayment as soon as the mother decides not to relinquish the child, which was not done in the above case. Any failure to comply with the repayment schedule should then be referred to the Attorney General for appropriate action.

ADOPTIONS

1. Consent to Action

Section 3-53-000 of the Welfare manual states, in part:

> "All records of those cases in which adoption was consummated, shall, after closure of the case, be sent to Central Office. . ."

Ten completed adoption cases were reviewed in Central Office, five of which did not have the consent to adoption included in the case record. In three of the cases, not only was the consent to adoption missing, but the entire completed case record was also missing. These three cases were all completed five months prior to the time the cases were reviewed.

Because the consent to adoption is such a vital document as to the legality of the completed adoption, the adoption specialist in Central Office should immediately initiate the necessary procedures to have all district offices forward the missing consents to adoption and the missing completed case records.

2. Confidentiality

NRS 127.100 states:

> "All petitions, reports, and orders in adoption proceedings shall be entitled only in the names of the adopting parties."

Ten adoption cases were reviewed in regard to the name used in heading the reports and petitions. The petition for adoption, the confidential report, and the order of adoption were inspected in each case. In one case, the order of adoption was headed by the child's name, as given him by the adoptive parents. In another case, the confidential report was headed by the child's name, as

given him by his adoptive parents. Even though the use of the child's new name does not infringe upon confidentiality, the above statute is very straightforward as to whose name shall be used on the reports, petitions, and orders of adoption.

The Welfare Division should require the amendment of any report, order, or petition that does not conform with the wording of NRS 127.100.

3. Petitions

Subsection 2 of NRS 127.110 states, in part:

> "The petition for adoption shall state, in substance, the following:
>
> "(a) The full name and age of the petitioners.
>
> "(b) . . .the period of time that the child has lived in the home of petitioners prior to the filing of the petition."

Petitions in 14 adoption cases were reviewed. Four of the petitions reviewed were not in conformance with the above statute. In three of these cases, the petition did not state the age of the petitioners, but stated that the petitioners were either over the age of 21 or that the petitioners were ten years older than the adoptive child. In the fourth case, the petition did not state the period of time the child was in the home.

The Welfare Division should require the attorneys acting for the adoptive parents to amend incorrect petitions to conform to the statute concerned with adoption. We suggest that the Welfare Administrator not sign and forward the consent to adoption to the court if the requirements of section 127 are not complied with.

4. Home Visitations

Section 3-36-002 of the administrative manual states, in part:

> "For all agency general and agency specific adoptions when the home is approved prior to placement, there shall be a minimum of three visits, of which one must be in the home with the child and both parents. The first visit shall be made shortly after placement, usually within two weeks, so that the adoptive parents can know that help is available when needed."

Eleven of 21 cases reviewed did not meet the above requirements, according to information available in the case files.

We recommend that an additional section be inserted in the adoption section of the manual, requiring the workers to record when and where the visits were held, who was present during the interview, and any other pertinent information regarding that particular adoption. We further recommend that the supervisors review each adoption case record periodically to insure that all requirements of the manual are being complied with, including the required visits after the child is in the home.

5. References

Section 3-22-000 of the manual states, in part, "Five references are required." Four of the 21 cases reviewed were lacking at least one reference. In most cases, the applicants had listed five references, but the worker had not contacted them or had not received the reference form normally sent out by the Welfare Division.

6. Evaluation of Adoptive Parents

Two other cases reviewed merit notation. In one case, the report to the

court did not mention the adoptive father's arrest record. He was arrested once for drunken driving and two years later, he was arrested as an accomplice to the fact of burglary. The manual states that an arrest record is not, of itself, reason enough to deny an application, but the information must be evaluated in terms of the nature of the offense, number of offenses, etc. These offenses should have been listed and explained in the report to the court so the judge could make a complete evaluation.

In another case, the adoptive father visited a doctor two years before a child was placed in the home. The doctor recommended that the client have a reevaluation before adoption proceedings were considered. This further evaluation has never been performed. The Order of Adoption has now been completed and the case is closed.

If a complete, conscientious, review is made of each case by the adoption supervisors, these problems could be eliminated.

7. Program Checklist

The adoption supervisor in one of the districts has established a checklist that includes all the requirements of the applicants and of completing the adoption. He checks with his workers weekly to see how each application and adoption is progressing. We suggest that this spread sheet be expanded to cover not only the requirements of the adoptive parents, but also the study of the natural parents, the study of the child, and the follow-up visits after the child is in the home. This checklist should also be introduced into other districts.

8. Licensing of Child Placing Agencies

There are two child-placing agencies licensed by the Welfare Division. They are as follows:

1. One agency operating under a permanent license since its original licensing on July 1, 1965.

2. The other agency operating under a temporary license since July 1, 1963.

In our previous audit of the Welfare Division, we commented about the fact that this agency was operating under a temporary license. We recommended that the periodic licensing reviews called for by NRS 127.260 be provided for.

Periodic licensing reviews for this agency were completed in May, 1966, November, 1966, March, 1967, and September, 1967.

We reviewed these licensing reports and other evidence made available to us, and make the following recommendation:

1. Pursuant to the provisions of NRS 127.270, the Welfare Division should determine if the child-placing agency holding a temporary license has complied with personnel and operating standards, as required by statute and the Welfare Division regulations. If the Welfare Division finds that this agency has not complied with the standards, it should follow the procedures as provided for in NRS 127.270 and revoke the temporary license for this agency until it has complied with personnel and operating standards.

FOSTER CHILDREN

1. Parental Support

Most foster children are wards of the juvenile court. Custody and control of the child are placed with the Welfare Division upon petition by the Division.

In reviewing the above petitions, it was noted that only about ten percent of the petitions included a request for parental contributions to help support the child. The judge has always allowed this request in the past.

We recommend that a request for parental contribution be made a standard part of each and every petition for custody and control of the child. If the parents are not financially able to contribute at the present time, they may soon be able to do so in the future.

When court orders for support do exist, and where there are no existing custody orders, such as in the case of Nevada Youth Training Center parolees, there is seldom any effort to obtain support. In one case, a father was ordered to pay support, which he did for only four months. When we reviewed this filed, it had been 33 months since the last support payment was received, and there was no mention in the file that attempts to obtain support from him had ever been made.

We recommend that the caseworkers advise the Attorney General of all cases where the parents are not contributing in accordance with an existing court order, or where there is no order, and that the Attorney General take such action as is necessary to secure this support.

2. Allowance for Supervision

The Division's administrative manual, section 2-04-047-0, states:

"In special situations, i.e. severe physical and/or emotional

problems of the child, an allowance for supervision may be granted with the approval of the Chief of Field Operations."

We reviewed only one case in which the special allowance was granted for a handicapped child. In this case, a $35 special allowance has been allowed since November, 1965, and there is no record of approval by the Chief of Field Operations. The special allowance request is signed by the worker only.

We recommend the following:

1. The Chief of Field Operations should be required to approve all allowances for supervision.
2. The necessity for these allowances for supervision should be reviewed by the Chief of Field Operations on an annual basis.

FOSTER HOMES

1. License Records

The Central Office of the Welfare Division does not have any records of the foster home licenses which have been issued or denied by the various district offices.

We recommend that the Central Office require the district offices to submit all information regarding the issuance or denial of licenses for foster homes. The Central Office should maintain a current file for this information.

2. Annual Licenses

NRS 424.030, subsection 1, states:

> "1. No person shall conduct a foster home as defined in NRS 424.010 without receiving an annual license to do so from the welfare division of the department of health, welfare and rehabilitation."

The Division, in many cases, issues a provisional license which is good for three months, and it is issued so that the children may be placed in the home before it is determined that the home conforms to the established standards.

We can find no authority in the law for the issuance of provisional licenses. We recommend that the Division discontinue issuing such licenses until it is determined whether the home conforms to the established standards. Children placed in these homes are usually wards of the court and under the direction and control of the Division. To place them in a home that has not been properly investigated and licensed could subject the state to a law suit.

3. Health Certificates

The Division's administrative manual, section 4-10-005-0, states, in part:

"A health certificate is required for all adult persons, husband and wife, employees, and adult members of a household seeking to provide care for children or aged adults. A physician's examination, for the purpose of certifying that a child is free from communicable disease, is required for all children who are members of the household of a foster home, . . ."

This section further states:

"The health examination must be completed at the time of application or employment, annually thereafter and at any other time the worker shall deem it necessary."

Of the 116 files reviewed, 41 did not contain health certificates for all members of the family at the time of initial application, and 56 of the 89 homes that had been in operation a year or more, did not contain health certificates for all members of the family.

4. Number of Children in the Home

NRS 424.030, subsection 5, states:

"5. No foster home can receive for care more children than are specified in the license."

We reviewed the files of 116 foster homes, of which 7 were at one time caring for more children than they were licensed for, and 13 had children in the home before any type of license was issued. One foster home was licensed for three children. At one time, there were six children in this home. Another foster home was approved by the Health Department for one child, the license was issued for two children, and at one time there were three children in the home.

We recommend that the Division comply with the above quoted section of NRS and that children not be placed in a foster home until after it has been properly licensed.

5. FBI Checks

Section 4-10-004-0 of the Division's administrative manual states, in part:

> "It is required that all applicants for a license, all other members of the household over the age of 18, and all staff members be subject to a check of their records of the Federal Bureau of Investigation."

Of the 116 foster home files reviewed, 15 did not contain FBI checks for all members of the household over 18, and an additional 32 files indicated that the FBI checks had been made after the initial application had been approved. Many of these delayed checks were extremely late. For example, one file in which the application had been approved on July 28, 1965, did not contain an FBI check on the foster father until April 26, 1967.

6. Foster Home References

The Division's administrative manual, section 4-34-001-0, states, in part:

> "The foster family must be of good character and habits. Five satisfactory references, from persons not related to the applicants, will be required."

Of the 105 files checked for references, only 50 contained five references. Quite a number of files did not contain any references at all. In one file reviewed, references were received from three persons, two of whom only knew the prospective foster father as their mailman and knew nothing of his wife and family.

7. Employed Foster Mothers

Section 4-34-001-0 states, in part:

> "The foster mother must not be employed regularly outside the home."

We reviewed 51 foster home files with regard to employed foster mothers and

noted that in five of these cases, the foster mother was employed on a full-time basis. In one home, the mother was employed from 3:00 in the afternoon until 11:00 at night, and her five children, plus the four foster children in the home, were left in the care of a neighboring foster mother until the foster father came home from work.

8. Fire Department Inspection

The Division's administrative manual, section 4-10-001-0 states:

> "A fire department inspection must be requested for each facility at the time of application and at least annually thereafter."

Of the 116 foster home files reviewed, 10 did not indicate that there had been a fire department inspection at the time of initial application, and 54 of the 85 facilities that had been in operation more than a year, did not have fire department inspections on an annual basis thereafter.

9. Health Division Inspection

Section 4-10-002-0 of the Division's administrative manual states, in part:

> "A Health Division inspection must be requested for each facility after the initial visit is made to the facility by the licensing worker. . ."

Of the 116 foster homes files reviewed, 48 did not contain Health Division inspections as required by the manual.

10. Recommendations of Fire Departments and the Health Division

Many of the Health Division and fire department inspections contain recommendations for improved safety within the home and comments concerning conditions within the home. For example, the fire departments often recommend addition of fire extinguishers, fencing, and fireproof drapes where toddlers will be placed.

One public health nurse recommended that no infants be placed in a home because the foster mother was partially paralyzed on one side, and the nurse felt that this may be hazardous to the infants. At that time, there was a fourteen-day-old infant in the home, which was placed there before the home was licensed. Since that date, there have been a fourteen-month-old, a nine-month-old, and two eleven-month-old children placed in this home.

Another public health nurse stated that in one home, the mother was working and the foster child, who was an unwed mother, seemed to be alone without activities much of the time, and the nurse felt that this was not the proper atmosphere for a girl in this condition. Two other unwed mothers were placed in this same home.

Another health inspection report stated, "PHN notes that children are left unattended for intervals while parents are working and would question whether emotional needs of children are adequately met." There were four foster children in this home.

We recommend that the caseworkers follow-up on all recommendations made in the fire and health inspection reports, and that such follow-ups be recorded in the case files. If such recommendations are not to be followed, there should be a memo placed in the file, approved in writing by the supervisor, stating the reason for not following them.

We also recommend that the fire and health inspectors be required to indicate the maximum number of foster children that can be placed in the home with the home still meeting the fire and health regulations. A record of the inspection reports should be kept in the case files.

11. Visitations to the Foster Homes

Adequate documentation of home visitations was not maintained in the majority of the foster home files we reviewed.

We recommend that the caseworkers record all home visitations and information regarding their observations and findings.

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
WELFARE DIVISION
SUPPLEMENTAL LETTER
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

SUGGESTED LEGISLATION

1. Assistance Obtained by False Means

There is no statutory authority for the Division to require restitution of aid received by false means by recipients of old age assistance. Chapter 427 of NRS also does not provide for a penalty for obtaining assistance by false means.

We recommend that a provision be added to Chapter 427 of NRS similar to that contained in Chapter 425, the chapter covering aid to dependent children. The applicable statute, NRS 425.240, states:

> "Whoever, by means of a false statement or representation or by impersonation or other fraudulent device, obtains assistance or aids or abets any person to obtain assistance to which he is not entitled, shall make restitution and all actions necessary to secure restitution may be brought against him."

2. Real Property Value

Chapter 427 of NRS does not state whether or not the value of real property occupied as a home by a recipient of old age assistance should be limited to a "reasonable value".

We recommend that Chapter 427 of NRS be amended to provide that the value of real property occupied as a home by a recipient of old age assistance shall be limited to a reasonable value.

3. Unauthorized Funds

The Welfare Division has established a petty cash fund and a revolving fund without statutory authorization.

We recommend that legislation be enacted to authorize the following funds:

Petty Cash	$100.00
Welfare Division Title V Work Training Emergency Revolving Fund	$1,000.00

4. Mailing of Warrants by State Controller

NRS 227.200(1), as amended in 1967, states, "The state controller shall draw a warrant in favor of any person, business firm, or payee certified by an agency of state government to receive money from the treasury and deliver or mail such warrant to the responsible state agency for delivery to the payee entitled thereto or deliver or mail such warrant directly to the payee."

There are four statutes under the Welfare Division which deal with the handling of claimant or recipient warrants by the state controller. They all provide for the state controller to mail or deliver the warrants to the Welfare Division for mailing by Welfare.

In order to be consistent with NRS 227.200, and in the interest of flexibility, we recommend that the following statutes be repealed: NRS 432.070(3), 426.120(4), 425.200(3), and 427.160(3).

Carson City, Nevada
February 26, 1968

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

Note: At a meeting held March 11, 1968, between the Fiscal Analyst and the Director of Health, Welfare and Rehabilitation, agreement was reached on implementation of most of the foregoing recommendations. The Director's exceptions and comments are attached to this report.

MEMO

DATE: March 21, 1968

TO: Nevada Legislative Commission

FROM: Karl R. Harris, Director
Department of Health, Welfare, & Rehabilitation

SUBJECT: AUDIT RESPONSE

Attached is the response of the Nevada State Welfare Division to the audit report compiled by the Legislative Audit Division of the Nevada Legislative Counsel Bureau.

Our general reaction to the audit is favorable. We appreciate the assistance provided in that it will assist us in rectifying errors and in establishing policy designed to prevent such errors from again re-occurring in the future.

We must, however, take some exception to the general tone of the audit. The reader cannot fail to receive the impression that the Welfare Division is completely and totally mismanaged. We feel that the defects which are shown as examples by the auditors do, indeed, reveal errors made by the Division. We do not agree, however, that these errors are a truly representative sample of the work done by the Division. Their presentation tends to warp the reader's impression of the overall Agency effort. We feel this problem could have been easily remedied by a general introductory statement on the part of the auditors which would have explained their overall impressions of the Agency's administration and management concepts.

In the future, it would be helpful if the Legislative auditors would provide under separate cover (to protect confidentiality) a list of the anonymously quoted examples showing the name of the case, the case number if possible, and the district from which the information was obtained. This list keyed to the report itself would make it much easier for the Division to verify the defects and take corrective action.

Again, I would wish to express my appreciation for the consideration and cooperation of Mr. Bruce and his team of Legislative auditors. We sincerely appreciate their efforts and hopefully will be able to correct the deficiencies they have brought to our attention.

KRH/PH/ds

Attach

1. Application Form

Because of the diversity of functions in our programs we use 5 forms in completing an application. These are:

Application for Assistance (7-02-141-0), Statement of Income and Property (7-02-142-0), Verification Form (7-02-143-0), Verification Supplement (7-02-144-0), and Medical Programs Information Sheet (7-02-145-0). These forms are required in all of the aid programs. The audit states that the application forms do not include items (a), (d), and (e), which are required under NRS 426.380.

Item (a) - "Places of his residence during the preceding nine years." This is located on the Verification Form (7-02-143-0). The various programs have different residence requirements but the application forms apply to all programs administered by the agency. The residence requirements are outlined in section 2-02-003-0 of the manual.

Item (d) - "Degree of his blindness." This item should appear on the Medical Programs Information Sheet (7-02-145-0). It will be added at the time of its next publication, and will appear as Degree of Impairment.

Item (e) - Where and when he became blind. The beginning date of impairment does presently appear on the Medical Program Information Sheet (7-02-145-0. Where he became blind does not appear and this revision will be made at the time of next publication.

2. Changes to be Reported by Welfare Recipients

The audit report states that "Welfare recipients often claim that they did not know that they were required to report such changes in their economic status". The Application for Assistance (7-02-141-0) does carry all of the statements required in regard to changes in their economic status. The recipient is also informed at the time of redetermination and is given a copy of a Statement of Understanding. The audit report indicates that a statement should be added to inform the recipient of penalties that can be imposed if he fails to report such changes, and that the recipient should be given a copy of every form he is required to sign at the time of application. Manual section 2-01-010-0 will be changed to reflect this requirement.

The report also states that the welfare recipient should be given a copy of the budget form used to determine the amount of his welfare grant. The present instructions on the budget form indicate that a copy may be given to the recipient if it is desired. This will be changed to read that a copy will be given to the recipient.

3. Collection of Overpayments

The audit states there has been a decline in collection for overpayments since the last audit. A change in procedure accounts for some of this decline. Prior to 8/1/65, no deductions in grants were made when an overpayment occurred. The recipient was asked to repay. On 7/23/65 the State Board passed a policy that repayments covering a 3-month period or less would be deducted from the assistance grant thereby eliminating the need to collect the overpayment from many recipients.

On March 31, 1966, the State Board approved a policy of waiving repayment of overpayments in hardship cases.

The current overpayment policy was adopted by the State Board on 6/30/67 to conform to Federal requirements that repayments be based on currently available income and resources. Clearer instructions will be provided to social workers concerning which cases should be referred to the Special Investigator to determine if fraud is a possibility.

4. Agreement with Employment Security:

Preliminary negotiations with the ESD were begun in June of 1967, for the purpose of arriving at an agreement which will eventually allow us to match tapes with them. At this point, our programming is attempting to reach a maximum of utility with the newly installed #40 configuration of the computer we use. When this has been reached and when the ESD hardware has been installed, it is planned to have our programmers meet with those of ESD to work out the technology involved in providing an equitable exchange of information concerning welfare recipients' claims and ESD records of employment. This should generate savings of public funds and should go a long way toward the early detection and/or prevention of deliberate fraud.

5. Home Visit Prior Approval of Application

Home visits should be made if possible before granting assistance but this can be difficult on occasions because of time, distances weather, etc. In rare instances a home visit might indicate needs different than as presented by the applicant in an office interview. In such cases the necessary changes in grant could be made the following month. New Federal requirements regarding prompt processing of applications make it more difficult for us to ensure that a home visit is made before aid is granted. Division policy at present reads as follows: "Before the application process is completed, at least one home visit shall be made. the social study, case classification and plan for services, including a plan for each child in an ADC case, shall also be completed and recorded. However, aid shall be granted as soon as eligibility is established."

6. Indian Resource Verifications

The Bureau of Indian Affairs at Stewart has informed us that a cattle count is done annually on the reservations which have received a cattle loan. We will explore other means of verifying Indian resources. This may be difficult for cattle holdings and it will probably be necessary to accept the recipient's statement.

7. Functional Use of the Division's Administrative Manual

We are not satisfied with the form, or use, of the Division Manual. In its present form it incorporates both regulation and procedure. We believe that it would be less unwieldly and far more useful if it were separated into sections dealing with operations, procedures, regulations and requirements. We do not believe that simply revising the index would provide a permanent and workable solution. We would prefer to consolidate by acitvity and function and to issue new tables of content by section plus an overall index by section. We have begun this revision process and have already issued two components of the section on administration. Each of these carries its own table of contents.

8. Filing of Memorandums and Manual Changes

Manual revisions are issued in sufficient number to be inserted in each manual. District offices should maintain a central file of memos and additional copies are sent for this purpose. If this is not being done in all offices, instructions will be issued to establish such a file immediately.

9. Special Attention Cases

Cases where the fixed expenses exceed the amount of the combined resources and grant for an extended period should be reviewed by the supervisor and followed up by referral to the Special Examiner if indicated. It would be helpful to the Division to have a list of such cases that were found during the audit.

10. Caseworker Program Training

The "Caseworker Training Kit", containing 51 publications, is placed in the hands of each supervisor for use in the training of new caseworkers. It is also intended for use by non-social-work supervisors in training of their supervisees in familiarization with casework functions. (Though non-social-workers are not expected to develop social work competencies.) We intend to develop similar training material specifically related to casework specializations--such as ADC, adoptions services, etc.--within the next few months. More important, we will develop detailed guides for supervisors in their use of these items. We have not found reading of the manual to be an effective method of training except when related to very specific exercises and learning objectives. Such objectives are

more understandable after caseworkers have had some experience. Current and future training guides for supervisors include detailed methods for relating instructional procedures to manual content.

The orientation institutes conducted in 1966 and 1967 were for all new staff members regardless of rank or assignment. The purpose was to introduce them in depth to Welfare Division objectives and functions, and the place of the Division in state government. Since the institutes included all employee classes, and since the time was limited to one week, no attempt was made to provide instruction in individual job skills. We found them highly effective in achieving personal involvement of staff in the goals of the agency and comprehension of how various jobs contributed to total agency operation. We are convinced that the agency loses by having to suspend the institutes for lack of travel funds. District offices now are less able to relate local operations to statewide operations, new district employees have less sense of the functions of Central Office, and new Central Office employees have less understanding of district operations and personnel. We will resume this training when funds permit.

Institutes conducted in Central Office are only one aspect of orientation. An equally important part is orientation to the individual job and office. All supervisors have in their hands, a general guide for in-district orientation. With an increase in the Staff Development unit, it is now possible to improve the in-district guide and to develop systematic procedures for its use and for reporting to Central Office.

Orientation serves a different function from training in job skills and is not in any sense a substitute for it. It is our long-range hope to establish training centers, which have proved highly successful in other states. Our caseworker accession rate might not now justify such expense, but with increased staff and normal turnover it will be a necessity within two or three years. In the meantime, we believe that the most effective use of agency funds and staff is to focus on the training of supervisors in two fundamental areas: training skills and supervisory skills. We are preparing a series of teaching units for use by supervisors in training their supervisees. To the extent that funds permit, we will conduct training institutes for supervisors in the use of these materials. At present it is necessary to conduct all training in writing, which cannot be fully effective.

We concur with the audit recommendations on training, unless it is meant that reading the manual should be widely used as a training method. This is not effective, except as outlined above. The program can be benefitted by going far beyond the recommendations, and this we intend to do. We are aware that worker errors which were reported in the audit are related to in-

adequate training of workers and supervisors. The Division had no personnel in staff development from 1964 to 1966; from 1966 to 1967 it had one person with divided duties. Since October, 1967, the unit has been at its designated strength of two persons, and progress has been rapid. The size of the Division staff now requires three persons, which we hope to provide soon.

11. Outline for Use of Caseworkers

We are unable to comment on this section since we do not know which form is referred to as an "Outline" for caseworkers.

* * *

13. Internal Control

We have set up a Receipts Journal for recording receipts except for the Social Security Benefits. The Social Security Benefits are posted to individual accounts.

We make every effort to deposit all receipts weekly. Personal checks, we try to deposit immediately. The receipts are prepared at the time we make the deposit. We do not prepare receipts for Social Security Benefit Warrants, nor can we see any need for receipts to the payee in this case.

In order to carry out the recommendations, we will have to print new receipts for Central Office and the District Offices. We will then require the District Office to attach a copy of the receipt given to the recipient to the check or money order

forwarded to Central Office. Upon our receipt of these documents we will prepare our receipt and send it directly to the recipient with a copy to District Office. The transaction will be recorded in a Receipts Journal. This would be for all checks or money orders.

We are relatively sure that the Social Security Administration would not want to be bothered with these documents, but, perhaps it would be proper information for District Offices. We will send a receipt to District Offices.

We plan to carry out recommendation for periodic reconciliations between amounts received and prenumbered receipts, and also tentatively plan to set up the complete procedure July 1, 1968.

16. Contracts and Agreements

A. HOME HEALTH AIDE CONTRACTS

a. The audit states that not all contracts are on file. As we recall, there was a total of two not on file in Central Office. These we believe to be on file in the district office involved, but because the district was not identified, we are unable to say.

b. The files are in chronological order. This can be changed to alphabetical with a minimum of effort.

c. The district offices have been given responsibility for ensuring that contracts are still in effect. We will devise a system to ensure that Central Office is notified in the case of expiration, and that the contract is pulled and placed in a dead file.

d. The district forwards a vendor payment form for active contracts, which Central Office processes for payment, and forwards to the State Budget Division, which also maintain copies of the Home Health Aide Contracts. We have assumed that the Budget Division would not approve payment if they did not have an active contract on file in their office.

e. Contracts are signed, many times, with the expectation that they will be needed, but unless the person is called for service there would be no payment made since services are not rendered.

B. EQUIPMENT CONTRACTS

a. An annual review is made on all contracts which are renewed. Close encumbrance control is kept on all maintenance contracts according to serial number of machine, location, dates covered under contract and

price paid per machine. This control was not reviewed by the audit team.

b. The majority of maintenance contracts are on IBM typewriters, as they are used throughout the state for standardization. The terms of maintenance, prices, services rendered under contract, etc., are set out in detail in the IBM State Government Catalog, pages 52, 53, and 54. The catalog is applicable from one fiscal year to another, and the state is protected under these terms for both equipment repair and parts. Copies are available through the local IBM representative. The Division has an extra copy which can be made available to the Legislative Auditors if desired. All other contracts are renewed from year to year, with the exception of the Pitney Bowes Postage Meters.

c. This item refers to the above, i.e., IBM. The company does not issue a new contract each year for their machines to any state agency. Copies of statements, showing date of maintenance contract coverage, serial number, location and price of each machine are on file but were not considered to be useful by the Legislative Auditors.

d. Agreements are kept on file as long as service is currently being paid for, and machines are being inspected according to original contract terms. Whenever a completely new contract is issued, these outdated ones are pulled and filed in an "expired contract" file. We believe this paragraph refers to the IBM contracts which is explained above, although the audit does not specify what contracts were involved.

e. See a. through d. above.

General comments regarding audit recommendations:

1. Annual reviews of all contracts are made, have been made in the past, and will continue to be made in the future. In addition to the encumbrance control of the category "equipment repair" under which maintenance contracts fall, each piece of equipment has an equipment inventory control card which specifies repairs and maintenance contracts (when covered) for each particular piece of equipment.

2. Contracts are filed upon renewal. Very few companies issue complete new contracts to reflect a minor rate change. This is usually done by letter stating "Because of higher costs, etc., this change is necessary". These letters were not filed in the past, but will be in the future.

3. Contracts no longer effective are filed separately. An

expired contract file is maintained in Central Office. See d. above.

C. CONTRACT TO REVISE MANUAL

The Division has adopted the practice of requiring a penalty clause for late completion. A specific example may be seen in the contract to provide additional office space for the Las Vegas District. This clause required the contractor to forfeit $50 for each day of waiting over the specified completion time (October 1967).

D. BUILDING SPACE RENTALS

According to our understanding of the charter of Building and Grounds, it has become their responsibility to negotiate all leases and agreements for the rental of building space (or so we are informed by their Superintendent). Our responsibility is now confined to the assessment of suitability of proposed or utilized space and the notification of our current and future requirements. Once we have committed ourselves to accept the terms of Building and Grounds proposals we are required to make payment on the same basis.

17. Equipment Inventory

We demur with the recommendation that each district office establish a card file for equipment. The Central Office maintains an excellent inventory control on all Division equipment, by district. A bi-yearly physical inventory is required of each district to ensure that their tally and records agree with those of the Central Office and with the State Purchasing Office. Each district is furnished with a complete listing and and is required to specify in writing that their physical and documentary accounts agree with ours. We consider this ample control and do not perceive the need for individual cards in district offices.

1. Additionally, all district offices are given the equipment listings sheets issued by State Purchasing annually. They are required by Central Office to check these against a physical inventory, reporting any discrepancies to Central Office. These equipment runs serve the same purpose as individual cards and since Central Office is responsible for costs of repairs and approving maintenance contracts, we do not believe any useful purpose for such duplication of work in the district offices would be served.

2. As stated above, each district office is required to do a physical inventory every two years. Although the audit team did not ask to review these they are available for such review upon request.

3. This equipment will be located and receipts received as soon as possible. We realize that receipts should have been obtained at the time of loan, however, it should be noted here, several items of equipment were "borrowed" from the agency - without its knowledge, during the time that the hallways were filled with furniture in transferring to the districts. This type of interagency relationships leave much to be desired--and it is only assumed that others felt we had more equipment than we needed and wouldn't miss a few chairs, etc.

18. Purchase of Office Supplies

Stipulated in the State Administrative Manual is the mandatory requirement to purchase all supplies from State Purchasing unless directed by that agency to purchase on the outside, either by exceptions in SAM or by written memos.

The $7,500 referred to in the audit report consisted of items which:

1) Purchasing was unable to supply from their warehouse or did not feel it feasible to put out to bid, and therefore requested that an outside vendor be given the order; or

2) The purchasing for Title V Work Experience Project was confused with regular welfare purchases. Because of the nature of Title V, and the disadvantages involved in carting supplies to such places as McDermitt, we were given approval to secure many items of instructional supplies from the outside vendors by direct purchase authorization No. 4674 and amendment.

3) Occasionally the necessity arises for a small "emergency" purchase. This is provided for in the State Administrative Manual, we do not feel that Welfare takes advantage of this privilege.

19. Reproduction Equipment and Costs

Shortly before Vocational Rehabilitation leased the Xerox 2400, this Division conducted a feasibility study to determine whether such a machine was needed here. We concluded that the combined costs of having a 2400 at this time were more than we cared to undertake. The equipment we now have is ordinarily sufficient to handle our current workload. It is difficult for us to perceive the utility of a recommendation that we obligate the Division to share the costs of using a machine which we have concluded was too expensive for our use. While we can readily see the need for justification of the rental charge of any piece of equipment we also believe that it is a responsibility of the user to make such justification. We will, of course, use the machine whenever it is to our financial advantage to do so - but not when we can do the same work at lower cost.

20. Time Studies

The cost allocation plan most advantageous to the State of Nevada has been developed and implemented in cooperation with Regional Office, Health, Education and Welfare. An all-agency time study, conducted during the month of November, 1967, provided data which are currently being used to distribute the total agency effort among the various programs administered. Subsequent time studies conducted at thirteen month intervals are anticipated to insure that the distribution of agency effort accurately reflects the current posture of the agency.

The social services fraction that establishes the percentage of the cost of administering each public assistance program that qualifies for 75% matching, has also been developed in cooperation with Regional Office. Through these recent inovations we are able to realize a substantially increased degree of federal participation.

21. County Participation in Welfare Services

A system has been set up to ensure that this same type of error cannot happen again. A journal sheet has been established for each county. The actual amount due from the county for each month plus the estimated amount of cost for the following month is posted. Upon receipt of the check from the county, the amount received is posted. These postings show the financial status of the specific county.

Note: The proper amount had not been received from Clark County for 1966-67. Prior to the time of the audit we billed them for the amount due and we have now received reimbursement of $6,178.07. This was deposited to the General Fund on 3/8/68.

22. Compliance with Administrative Procedures Act

We have made every attempt to comply scrupulously with this act. It is difficult to reply to an observation that we are not "fully" complying without being told how, or in what respect we are failing to do so. It is our practice to file all of our regulations with the responsible official prior to their adoption and we are in the process of tightening our control to ensure that we fail to do so in no future instance.

1. Personal Property Reserves

The Division agrees that it is desirable for local banks to be checked at the time of the initial application. From the figures given, it would appear that the majority of cases in which such clearance were not made were in the Las Vegas office. In this district such verification would be impossibly cumbersome.

It is a federal requirement that the applicant sign a specific consent for each contact the agency makes, and in the larger communities this would mean 6 to 10 separate forms.

Verification should be done in all instances where the recipient has a known bank account or where the worker has reason to believe that undeclared resources might exist. A policy change regarding annual clearance for possible bank accounts was discussed during the past year but was never formally approved or issued in writing. This change permitted the caseworker to use judgement as to the necessity of annual bank clearance. More explicit manual instructions regarding verification of bank accounts are forthcoming.

2. Excess Personal Property Reserves

Any caseworker can make a mistake. Because we are short handed both in Central Office and at the various district levels, it is impossible to find each case as it develops. It is also impracticable from the standpoint of administration for either the district administrator or the Central Office to review each case regardless of how much or how little may be involved.

At the top of page 18, a 3500 dollar settlement of a personal injury suit is mentioned. There is no detailed statement of precisely who was injured or what the settlement amounted to from the standpoint of compensation for injuries on the one hand or medical and hospital expenditures on the other. If the amount of the settlement was to compensate for some physical injury then the law is that not only is this not income from the standpoint of the Federal authorities, and not part of any taxable income from the standpoint of IRS, but is clearly intended to be in replacement of something which has been lost by the particular individual. In other words, if a man sustains a severe whip-lash injury to his back and neck and gets a settlement of $3,500, the amount of money is deemed to be replacement of what he lost, consequently this money might not be reserve as that term is understood in the law. This would be especially true if the amount of the settlement was made on behalf of a child, particularly a minor

child. In that event, it might be that the guardian or parent of the child was bonded for proper preservation of funds for the benefit of the minor.

3. Real Property

This is an instance of auditors injecting themselves into the field of law and legal interpretation. There is nothing in the statute which dictates the procedures suggested by the auditors. It is not pointed out how the administrative manual and the quoted section fails to conform to the statute. The statute says what the Division shall do in determining a reasonable value. It does not say that the Division may not state that a home of a fixed assessed value and not exceeding that value may not be disregarded as long as real property is used only as a home for the recipient and/or his or her family. There is nothing in the statute which requires the Division to accept the suggestion that the limit be placed on the value of the property in accordance with the notions of the legislative auditor nor that the equity in the property must be ascertained and considered. There is nothing requiring a value to be set on the property so that the maximum amount allowable would be a fixed amount. The suggestion of the auditors not only does violence to the standards set forth in the manual but also to the statute itself. We are directed to take certain matters into consideration, one of which is the assessed value of the property. We are not required to set an absolute limitation on the equity which may be held by the recipient regardless of the assessed value of the property. The idea of treating the assessed value as a maximum and not the equity thereof, is a better method of reaching a just result.

4. Changes in Living Arrangement and in Financial Situations

First paragraph of this item is good if true. It is impossible for us to correct the situation or determine what occurred on the sole basis of a blanket, shotgun indictment without any particulars or details at all. It would have been more useful to have given two or three cases which were considered typical.

Other than that, the observations of the auditors under this item highlight the fact that we have not sufficient personnel to follow up and develop all of the unreported income. While it is undoubtedly true that the cure for this type of situation is administrative it is also true that lack of personnel prevents the Division from following up as we might wish to do. In connection with the cases listed on page 20 of this item, as soon as we learn the specific case and district we will follow up and see if there is not some valid explanation for the situation in each case.

5. Residence Verification

The 15 cases in which documentation of residence is lacking will be reviewed as soon as the names are available to us. The Reno supervisors will be asked to discuss residence verificaiton with staff and to give this aspect of eligibility special attention when reviewing cases.

We request the name of the one case found in which requirements for school attendance and passing grades were not met. After review, appropriate action will be taken. However, such petty exceptions do not reflect well upon the auditors. If they are to audit the Welfare Division they should do so from a base of understanding of modern social work concepts and from a knowledge of current social problems. This audit item is evidence that the individual auditor concerned was neither understanding nor knowledgeable but instead has brought pre-formed opinions and subjective judgement into a job which demands objectivity.

7. Establishing Paternity

Division policy stresses the importance of establishing paternity for children born illegitimately. The mother's willingness to give this information and take formal action is basic to any effort to establish the paternity of a child. In most instances, the mother's relationship with the caseworker helps her to discuss this personal aspect of her life. Referral to the Special Examiner or District Attorney may not serve the purpose of increasing the mother's cooperation. The Division will intensify staff training to help workers recognize the value of establishing paternity and improve workers' interviewing skills in this area.

After it has been ascertained that no admission can be obtained voluntarily, there is probably also a need for procedures whereby caseworkers in the various districts refer the matter to the Special Examiner and that he refers same to counsel promptly.

8. Putative Fathers

Manual policy is clear that the child is ineligible for ADC if the mother refuses to give information about the putative father. We have issued specific instructions concerning this matter and will continue to insist upon adherence to them.

9. Social Security Benefits

We will review the four cited cases with potential eligibility for Social Security benefits and take appropriate action. We feel that it is worthy of comment to note, however, that four cases out of a total of 371 is more than 99% compliance.

10. Transportation for Employment

Public transportation, if available, is to be used as a basis for determining work expenses which may be deducted from an employed parent's gross income. Many times public transportation is available to the job but not available to the place where the children are receiving day care or, if available, the cost of public transportation for several persons would exceed cost of automobile at 10¢ per mile.

The case cited was closed prior to receiving the audit report. It will be reviewed as soon as it is received from the district office.

The 10¢ per mile allowance in computing work expenses is justified. It costs recipients as much to operate an automobile as it does non-recipients. 10¢ per mile is used by the Internal Revenue and the State of Nevada where applicable. Recipients have to buy tires, batteries, license, insurance, repairs and car payments from the 10¢ per mile figure. Since recipients generally use older cars, their repair bills are high.

11. Incapacitated Adults

The position of Medical Consultant was not filled in the Division from 6/28/66 through 1967. Prior to July, 1966, the former Medical Consultant we used was unable to serve full time. One of the cases mentioned in the audit is not yet available, so we do not know the dates of the medical examinations referred to. In the other case, no Medical Consultant was on the staff. The medical reports indicated the patient was not able to return to his former employment and was able to do only very light work.

Now that the Division has the full-time services of a Medical Consultant, new policies regarding review of incapacity cases in the ADC program are being formulated. The Division is now in a position to require review by the Medical Consultant in all such cases.

12. Assistance Obtained by False Means

We do not question that something should be done to stop recipients from obtaining overpayments or payments to which they are not entitled, particularly if these are obtained by fraud. The one case noted at the foot of page 25 goes back to 1959 and is really digging out something from under 8 years of debris.

Here, it is noted that the District Attorney of the county was called in and he collected $30 of the $752 then due and owing. Nevertheless, this same party was able to obtain

further overpayments and that should definitely be stopped. The record of the first overpayment should appear in the file of the recipient and possibly also, in a card index in the Central Office in order to prevent such matters from recurring.

The statement on page 26 that "numerous examples of this type were noted in our review of the files" again is not helpful because it gives insufficient data to identify the problem. We hope that when we adopt new procedure calling for the Special Examiner to make his investigation promptly and then refer to counsel, we may be able to eliminate this source of complaint.

13. Referrals to District Attorneys in Aid to Dependent Children Cases

It is noted that the new amendments in 1967 to the sections of NRS listed are in direct conflict with some other general statutes.

NRS 425.220 subsection 2 provides that collection of amounts due from a parent on account of a child who has been receiving benefits under ADC shall be brought in the name of the State by the Attorney General. The sections passed in the 1967 amendments are in direct conflict with this section. The Division would like to see subsection 2, of NRS.220, repealed in its entirety.

Most of the counties refuse to have their district attorneys take any action and point to this section as their justification for refusing even to assist the Attorney General. It would be a great burden for the Attorney General to go into each Justice Court in the 17 counties to carry out fully the duty imposed upon him by the statute. The only county where any notice is taken of the 1967 amendments is Washoe.

Our counsel would prefer to believe that the 1967 amendments and additions to chapter 425, completely repealed the provisions of NRS.220 subsection 2 and thereby relieved the Attorney General from taking any action. If this is true, and there is much to be said in support of such a conclusion, then in no event can the Welfare Division be charged with failure to prosecute these cases.

The reporting obligation however, must be handled administratively. In this connection, the question of when a father has actually become a "deserting father" is subject to interpretations. We are not certain that the interpretation placed on this language by the District Administrator in Reno is not, in every respect, correct. There must be some permissible lapse of time to enable the caseworkers and administrator to determine when a father is actually a deserting father and a case need not be, in the opinion

of counsel, immediately referred to the District Attorney on the first day away from home. Such an interpretation could result in absurdities.

Paternity need not be established nor need the Division take any action to locate deserting parents under the new sections of the law and the amended sections and our manual. We prefer that this be left as is and permit the district attorneys to do something to bring all of the sections of chapter 425 of NRS into conformity and make them consistent.

OLD-AGE ASSISTANCE

1. Residency Requirement

We take no issue with this recommendation - particularly since both parts of it are contained in our current requirements and procedures. We hope, through in-service training, to achieve an even higher percentage of compliance than the 95% shown by the auditor's findings. We will, of course, take corrective action on the 5% cited specifically.

2. Establishing Financial Need

From the information given, the Division concurs that a more detailed and complete investigation was apparently indicated in this specific case. We will have this case reevaluated to ensure conformance with Division requirements.

3. Property Transfers to Relatives

A review of these two cases should be by a supervisor or district administrator. This will be done.

It is and has always been the intention of the Division that personal property transaction be in compliance with the manual. Manual section 2-03-018 will be clarified in accordance with the auditor's suggestion.

The recommendation that a large note be inserted in the case record giving the date on which the recipient will become eligible is a good one. However, the Federal Handbook, Part 4, Section 3120, reads in part as follows:

"Assistance payments must be based on need in the light of currently available income and resources. Current payments cannot be reduced because of prior overpayment, if the recipient no longer has the income available, which occasioned the overpayment. Example: Unreported income several months ago which is no longer available as well as agency overpayments."

4. Resource Verification

A. Bank Accounts

The Division agrees in principle with the need for clearing banks at the time of the initial application. However, such verification on an annual basis is time consuming, particularly in a large urban area, and would be even more so if it were required that banks in neighboring communities also be checked.

It is necessary for the Division to obtain an individual's specific written consent for every individual or agency to be contacted.

B. Insurance Policies

Division policy clearly states that insurance will be valued at the amount of cash surrender, and that the surrender value must be ascertained at the time of application and redetermined annually. The four cases cited represent worker error, and will be followed up.

C. Social Security Benefits

Verification of eligibility for, and receipt of, social security benefits should be done at the time of application, and when indicated because of increased benefit amounts; a change of age, or a change in the eligibility requirements of the Social Security Administration. The preferred method of verification of the amount is for the worker to see the client's statement of award or the check. Once the amount of the award has been clearly established, reverification is not necessary unless there are changes in the Social Security law affecting all recipients. Particular attention is needed concerning spouses of recipients when they attain the age 62 or 65.

D. Veterans Administration Benefits

Veterans benefits represent a resource in an increasing number of cases. The Division is planning to devise a form to enable workers to make appropriate clearances. It is also planned to include information about the receipt of Veterans benefits in the computer information system.

E. Property Holdings

Division policy states that an initial property check must be made on a selective basis when the applicant states that he has obtained or disposed of property in the past three years, or when there is any indication of ownership of property. Subsequent checks will be made only if the client indicates acquisition or the disposal of property, or if there is evidence or indication that property has been acquired or disposed of. Routine property checks are a very time-consuming operation, particularly in the larger offices, and the findings did not warrant the time spent.

F. Inaction by Welfare Where Resources Excessive

The Division agrees that verification of property should be followed by appropriate action. The cases described indicate workers are not making proper use of information received. In January of this year, staff training sessions were held on the subjects of eligibility and resources. The Division has also instituted an extension of the quality control program in which supervisors review a sampling of case records on a regular basis. This should result in greater conformity with Division policy.

5. Relative Responsibility

This is an item for which the Attorney General assigned to Welfare takes complete responsibility. The reason for the opinions and decisions referred to in this item are as follows:

1. NRS.310, subsection 1 states the parties who are responsible for the support of relatives "if of sufficient financial ability so to do". It is almost impossible for a caseworker alone to determine this fact. Even after the caseworker makes such a determination, the determination itself would be subject to court approval or disapproval. The amount of time and the money expended in making the determination in the first instance would, in the opinion of counsel, not justify the amount to be gained by relative support even if the figures in this item of the audit report were completely correct.

2. Subsection 2 of the referenced section of NRS, that is NRS 422.310, places upon the caseworker the responsibility of ascertaining the amount of support for which a relative is or may be responsible. This again is a factor which is at best illusory and indeterminate and in addition subject to review both by the counsel and by the court.

3. Subsection 3 states that the caseworker shall give due consideration for the financial circumstances of the relative from whom support is required. He we have a very indefinite provision and one which is hard to determine and even more difficult to enforce. The same provisions as have been stated above and the same limitations apply to this subsection. How the "due consideration" is to operate and what its precise limits are is nowhere stated in the statute.

With reference to NRS 422.320, we have no definite criterion with respect to how contributions are to be determined. The only thing which is stated is that no contributions shall be required at a greater rate than the amount set forth in the contributions scale which follows the text. Determination of net monthly income in accordance with the statute and as found in the scale, is not defined in any way. No administrative determination of how net income is to be fixed is capable of offsetting the express language of the statute nor of the failure to state in exact terms what the words "net monthly income" mean.

The amount of time and money required in following the recommendation would far offset any good to be gained from attempting to enforce this statute. The legislative audit suggests that the Attorney General, in effect, attempt to collect any support contributions which might be found due. We wonder whether there has been any computation with regard

to travel expenses of the Deputy Attorney General to say nothing of the amount of his salary chargeable against duties of this type.

6. Responsible Relative Determination Form

We are not satisfied with the present design of the responsible relative forms. The suggestions made in the audit report are good and will be incorporated in the revised forms. The authorization to obtain a copy of the latest income tax return will have to be separate from the determination forms because the authorization would have to be mailed to the Internal Revenue Service.

7. Relieving a Responsible Relative of His Liability

One factor in the worker's decision to relieve relatives of their responsibility is the fact that the Relative Responsibility Scale was established in 1953 and does not reflect current living costs. Division policy, however, provides that when a worker makes any plan for suspending or reducing contributions from the responsible relative, Central Office is to be notified in writing, giving details and reasons for the plan.

8. Annual Home Visits

The Division shares the auditor's concern about the failure to make annual home visits. This is an area which we hope will improve as a result of the required supervisory review of case records.

1. Residence Requirement

The need for residence verification is clearly stated in the Division manual. The five cases in which this was not done represent worker error.

2. Resource Verification

As mentioned earlier, in an effort to cut down unnecessary paper work, the Division has been trying to clarify which resources actually need to be verified annually. This is also in conformity with federal policy which requires the agency to use the applicant and recipient as a primary source of information about facts concerning eligibility.

3. Visual Acuity

The manual states that reexaminations are necessary under the following conditions:

1. Recommendation of the Eye Examiner at the time of first examination or subsequent recommendation by the Eye Examiner or the supervising Ophthalmologist.

2. Following surgery or eye treatment.

3. When worker's observation or other evidence indicates the person's sight is better than the initial or previous examination indicates.

Supervisors review case records on a regular planned basis. Field representatives review records on a planned basis in the one-worker offices and in larger offices, as time permits. Caseworkers are required to maintain documentation in the case files. Any failure to do so is a result of worker error.

4. Annual Home Visitations

It is anticipated that the Division's recent plan for regular case reading by supervisors will bring about an improvement in the percentage of annual reinvestigations not in compliance with the manual requirements. Effective April 1, district offices are being asked to submit a monthly report of overdue reinvestigations and the reason for the delay, to the Field Representatives.

5. Aid Received by Means of False Statement

The case cited should have been reported to the Special Examiner. When the name of this case is made available to us, the current situation will be evaluated. However, as mentioned earlier, the Federal Handbook of Public Assistance Administration states that current payments cannot be reduced because of prior overpayment if the recipient no longer has the income available.

6. Prompt action on applications

The heart of this problem is the scarcity of physicians in the State, especially ophthalmologists. The ultimate answer is in comprehensive health planning which is just beginning.

We have been working to tighten up the procedures in the district and Central Offices, as well as in the supervising ophthalmologist's office so as to minimize the delays caused by paper work. The suggestions made in the report are good, and about all that we can hope to accomplish, because there is great resistance on the part of doctors to giving preferential treatment to Welfare recipients.

(ADULT) GROUP CARE FACILITIES

1. Non-compliance with statutory requirements and Welfare Division Standards.

2. Facility Visitations.

3. Enforcement of Licensing Requirements.

We have been aware of problems in this area. New "Standards" for these facilities and new district office procedures have been in process for over a year as personnel for the job were intermittently available. We have these new standards on the Welfare Board agenda for 3/22/68 for their consideration.

Specifically to the point, we will check out item #1 immediately. and see that requirements are carried out. The other items are a part of the new standards and we hope that the Division will be operating under these by late April, 1968.

Unwed Mothers

No identifying information was given to identify case records and thus, at this point it is impossible to establish whether mitigating circumstances exist. If none exist then the audit report is essentially correct.

The audit outlined two apparent discrepancies. In one, it states that of 18 cases audited, none verify real or personal property reserves. It recommends that procedures for thorough investigation of financial resources and reserves be established.

In the other, of 3 babies not relinquished, one case had no payments expended on it, one case is making restitution, one is not. The audit recommends that a signed agreement for repayment be obtained and failure to comply with the payment schedule will result in referral to the Deputy Attorney General.

In the first instance, involvement in a long eligibility verification process if something else can be done is not recommended. We can assume that better investigation of financial resources in some situations is justified.

Confidentiality considerations in this sensitive area would preclude many of the regular verification processes. Also (refer

to 2-03-076 through 079) real and personal property reserves are allowed in certain instances. Our manual is essentially adequate but perhaps workers need occasional reminders of good practices in this area.

In the second instance, a signed agreement to repay might be feasible but when to refer non-payment needs further study. Also, the medical services are paid from SAMI money and there could be difficulties about developing repayments systems. We recommend that Family and Children's Services review current policy and further recommend needed changes, if any.

The policy of making unwed mothers repay for services received when they do not relinquish their child is questionable. A consideration for Family and Children's Services would be to explore the feasibility of recommending doing away with this particular policy.

ADOPTIONS

1. Consent to Adoption

A review of the 5 cases in which a consent to adoption document was not contained in the record indicates, by memo in all of the records, that a Consent to Adoption was duly executed by the Welfare Administrator in all cases.

Only one copy of the Consent to Adoption is maintained and that is in the District Office case record. The three closed cases which have not been forwarded to Central Office are all from one district. When these adoptions were completed, this district was understaffed (one caseworker was attempting to do a job now handled by four). Other work pressures took precedence over preparing closed records for transmittal to Central Office.

At this time it would not be practical to establish controls and deadlines for transmitting closed adoption case records for filing in Central Office. Sending closed records is extremely costly. They must be sent by first class mail and certified. Funds available for postage are extremely limited. Therefore, most district offices follow the practice of holding the closed records until someone for Central Office visits and is able to bring the records back to the Central Office at no cost. Consequently, until more money is available for postage, the district offices can not be held to deadlines. Also, because of the limited space available in the Central Office for record storage, it is not feasible to insist on immediate shipment of closed records.

2. Confidentiality

All adoption petitions and orders for adoptions are drawn up by a private attorney retained by the adoptive parents.

The Welfare Division could adopt a policy of returning all petitions and orders for adoption that are not in strict conformance with the law to the attorney for amendment. This is done now when the legal document violates confidentiality or there are errors that would cause serious doubt as to the legality of the adoption. However, to do this routinely for minor errors, would cause delays in completing adoptions and the Welfare Division would be placing

itself in the position of being the legal expert as opposed to the Judges and Attorneys. The Judge is the final authority on the legality of all adoptions.

3. Petitions

The questions and recommendations as they relate to this section are similar to those in section 2. Confidentiality. In regard to the recommendation our questions would be the same, namely, the delays which would result from insisting upon correction of minor errors and the problems we would create in our relationship with attorneys and judges by assuming the position of legal experts.

4. Home Visitations

The eleven cases reviewed in which the agency policy on home visitations was not followed, were not reviewed for purposes of these comments. We assume from the recommendation that the primary problem is not necessarily failure to follow policy, but inadequate recording.

The recommendation that the agency manual specify that each record contain the dates of all contacts and persons seen during the interview, is a good one and will be implemented as soon as possible.

5. References

The area of number of references required to complete an adoptive home study, is one which requires further study and possible revision of policy. The requirement that 5 references be contacted may be too high and possibly should be reduced to 3 with the provision that additional references should be obtained when indicated.

6. Evaluation of Adoptive Parents

A review of the case records indicate the facts stated in this section are essentially correct. The questions raised are primarily related to caseworker's judgment.

In the first case cited, agency policy had been followed as it relates to the evaluation of the criminal record and obtaining the approval of the Nevada State Welfare Board. It should be noted in this case the last offense occurred in 1956. Perhaps, however, in spite of the fact that the criminal arrest record had been thoroughly reviewed and judged acceptable, it should have been included in the report to the court.

In the second case, the family had originally been licensed as foster parents by another agency. At that time the family was interested in the adoption of the child placed in their home on a foster home basis. The child was not legally free for adoption and subsequently was removed from the home. Following the removal of this child from the home, the family applied to adopt. A complete adoptive home study was done. The adoptive father's emotional problems appeared to be primarily related to the death of his son and the break up of his former marriage. These events had occurred within 2 years of their first application. Another

two years elapsed before the family reapplied to adopt. The caseworker evaluated the adoptive father's emotional status and concluded time had had a healing effect and he was able to talk about his son's death objectively and without loss of self control. The family had served as foster parents in the intervening 2 years and provided good care to foster children. Therefore, the worker based on her judgement and knowledge of this family did not feel another psychological evaluation was necessary.

7. Program check list

We have been in contact with the Reno District Office regarding the check list which they have developed for maintaining controls on adoption applications. The system will be evaluated and will be put into use in all district offices if this appears appropriate.

8. Licensing of Child Placing Agencies

We concur with the recommendation that the temporary license of the child placing agency which has never been granted a permanent license, be revoked. Action has been taken to notify the appropriate persons of this agency, that unless they can meet full licensing requirements by 3/31/68, their license will be revoked.

FOSTER CHILDREN

1. Parental Support

Many of the foster children brought to the Welfare Division are first made wards of the court and are in the custody of the county welfare department. We have been trying to get a system adopted by cooperation with the various county welfare departments, with the district attorneys of the counties and with the courts to assure us of several things.

The first of these is that the file show that there has been a hearing before the court before the case is transferred to this Division under FELCO. In one county noted for its activity regarding parental support, nothing is done in the way of procuring a hearing at which the parents are given an opportunity to be heard. In those cases properly called to the attention of the Attorney General hearing have been held, or at least commenced, and an effort is made to procure support. The situation usually found by the Deputy Attorney General is that the county took custody originally through an order of Juvenile Court, that no hearing was afforded to the parent or parents and that thereafter an ex parte order is obtained simply transferring the case from county welfare to state welfare.

In the next place, the cases transferred to the Welfare Division are cases in which the father has not been, or cannot be found. In the county most noted for its activity in pursuing fathers, absolutely nothing is done from the date that temporary custody is awarded to the county welfare department until same is transferred to the Welfare Division of the State. If the district attorney has been unable to find the absent father it is a fairly

good indication that this Division would also be unable to find him. Aside from the comments as to relative responsibility we feel that some effort can and should be made with regard to getting support from a defaulting parent.

2. Allowance for Supervision

The audit correctly points out our manual policy. It also makes a mistake in recommendations. It recommends that the Chief of Field Operations should be required to approve all allowances for supervision. This is already a requirement and is in the manual. This recommendation is redundant.

A second recommendation is that the necessity for these allowances should be reviewed by the Chief of Field Operations on an annual basis. We concur with this as a minimum review period. We will initiate a manual addition to reflect this thought.

License Records

The audit report was correct. The Welfare Division does not have any record in Central Office of the status of foster homes or foster home studies.

We note a recommendation that Central Office should have this kind of information. What information we specifically need and what is the best method to get such information, we feel should be determined after the review of foster care services which will take place within the next two months.

A possible way to achieve licensing information and other vital child welfare information is to incorporate child welfare material fully into the data processing system. This can be done only when we have the ability to expand data processing and establish data processed programs for child welfare. However, any materials needed that could best be gotten other than incorporation into data processing will also be considered.

Annual Licenses

The audit report is correct in stating that there is no authority to issue a provisional license. No authority to do so exists in the manual. A license waivering certain standards is permissible under specified conditions.

Except in circumstances stipulated by law, no child may be placed in a home not licensed by the State or in a home without an annual license in force.

Manual section 4-14-000-0 will be considered for modification to more specifically reflect the law. The forthcoming foster care services review should give us more specific and valid information upon which to base any modifications needed.

At one time provisional licenses were issued. Whether or not this was once legally permissible is not known. Since the issuing of provisional licenses was once the practice and since the residuals

of this practice may still exist, an informational memo spelling out the intent of current policy and law could be considered for issuance at this time.

3. Health Certificates

Independent of the audit report, Central Office became aware of foster home applicants resistance to this particular licensing standard. Furthermore, it also became recently aware of worker resistance in certain areas to such enforcement. Family and Children's Services have been requested to review current policy and to make recommendation for change (or no change if this is indicated). This will be done.

4. Number of Children in the Home

Children placed in a foster home should not exceed the number for which the home has been licensed. However, this is sometimes necessary because of the shortage of foster care facilities and/or a need for immediate care. The Division agrees that this is an undesirable practice.

The audit recommends that children not be placed in a foster home until after it has been properly licensed. We feel that this is appropriate as a recommendation although it must be pointed out there are circumstances over which we sometimes have no control. For example, we involuntarily receive custody of children from the court. We may not at that point have a home available. We are then forced to temporarily make use of an adequate home even though it may also result in temporary overplacement.

5. FBI Checks

As soon as the auditor gives us information on the fifteen homes where FBI checks were not completed, appropriate action will be taken.

6. Foster Home References

It would appear from the figures given, that the manual requirements regarding five references on each home are not being fully met. Many social agencies have questions about the value of references as an aid to knowing the applicants better. The manual should perhaps be revised to allow the use of the worker's judgement in regard to the number of references to be obtained in a particular application.

7. Employed Foster Mother

The Division is deeply concerned about the number of foster mothers who are employed and particularly the specific type of case mentioned. As soon as we receive the name of the foster parent involved, the current situation will be reevaluated.

8. Fire Department Inspection

The Division requesta an indentification of the ten homes which have not had an initial fire inspection. A reinspection annually would seem unnecessary unless there has been an obvious change in the

home or in the housekeeping standards. The State Welfare Board has reviewed this policy and decided it should be continued.

9. Health Division Inspection

Health Division inspection for foster homes or child care facilities are required only when there is no city water or sewage system. The more remote offices have some difficulty in obtaining these inspections through the Reno Office of the Health Division.

10. Recommendation of Fire Departments and Health Division

The Division certainly wants all foster homes to provide the maximum health and safety provisions. If providing additional equipment would work a financial hardship on the foster family, and the lack of such equipment would not jeopardize a child's health and safety, a statement to this effect should be included in the record and approved by the supervisor. The opinions of the Public Health Nurse should be of concern to our staff, and be evaluated along with other pertinent information.

11. Visitations to the Foster Home

Contact with the foster child or foster family, including home visits, are generally reported in the child's case record. The worker's activity on a specific case may or may not also be recorded in the foster home record.

SUGGESTED LEGISLATION

1. Assistance Obtained by False Means

Any help we can get from any source in tightening up the law with respect to action against anyone who receives aid by false means in any of the Welfare programs will be welcomed by counsel for the Division. As a matter of fact, counsel has already suggested to the administrator, and obtained his permission to collate all Welfare laws regardless of where found in NRS and to bring these to the attention of legislative council at the proper time so that all Welfare laws may appear together in one chapter.

When this has been done it will be much easier to bring to the attention of the legislature the failure to have satisfactory and effective means of pursuing those who by fraud, concealment or other false methods obtained in any aid from the State through the welfare Division.

The Administrator's consent to collate all the laws also included the proposition that counsel make recommendations to the Administrator and Director with respect to necessary changes in the law. Caution must be taken, however, to ensure that no State legislation is enacted which would result in practices contrary to federal requirements.

2. Real Property Values

The comments previously made in this connection are considered to

apply to this section.

3. Unauthorized Funds

Petty Cash Fund $100

This fund was established with the consent of the Budget Office. Apparently, neither the Budget Office nor our Division was aware that we needed statuatory authorization. The fund was, however, terminated as of April, 1966. We no longer have any Petty Cash funds.

Welfare Division Title V Work Training Revolving Fund $1,000

This account was also set up with the approval of the Budget Office and the State Treasurer. These funds are under the custody of the State Treasurer. Special checks were purchased with Title V activities. The State Treasurer's office issues a check upon presentation of an authorization from Welfare Division. The amount is reimbursed by submitting the bill through the regular channels, i.e., preaudit by Budget Office.

It is apparent that neither the Budget Office, the State Treasurer's Office nor the Division was aware of the need for statutory authorization. If such is the case, we will either seek enabling legislation or discontinue the fund.

4. Mailing of Warrants by State Controller

We are in complete agreement to having the statutes changed in regard to the mailing of recipient warrants. There are a great many changes at the last minute. Warrants must be pulled to be held or cancelled, or to have an address change. Also, we very often have a "stuffer" applicable to all or specific programs. We will ask for repeal of the cited statutory provisions.

STATE OF NEVADA

INSPECTOR OF MINES

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1967

LEGISLATIVE COUNSEL BUREAU
ROBERT E. BRUCE, FISCAL ANALYST
CARSON CITY, NEVADA

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Inspector of Mines for the fiscal year ended June 30, 1967, and have prepared therefrom the following exhibit:

Statement of Basis for Appropriation Compared with Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1967.....Exhibit A

Scope of Examination

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.

Opinion

In our opinion, the accompanying Statement of Basis for Appropriation Compared with Actual Receipts and Expenditures presents fairly, on a cash basis of accounting, the results of the operations of the Inspector of Mines for the year ended June 30, 1967, on a basis consistent with that of the preceding year and with applicable state laws.

May 14, 1968

Respectfully submitted,

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

INSPECTOR OF MINES
STATEMENT OF BASIS FOR APPROPRIATION COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriations	$54,673.00	$54,673.00	$ ---
Salary Adjustment	1,988.00	1,988.00	---
Total Receipts	$56,661.00	$56,661.00	$ ---
Expenditures:			
Payroll Costs:			
Salaries	$42,948.00	$42,948.00	$ ---
Industrial Insurance	236.00	224.23	(11.77)
Retirement	2,488.00	2,483.94	(4.06)
Personnel Assessment	200.00	200.00	---
Group Insurance	144.00	192.94	48.94
Total Payroll Costs	$46,016.00	$46,049.11	$ 33.11
Travel:			
Out-of-State	$ 130.00	$ ---	$(130.00)
In-State	3,700.00	3,742.98	42.98
Total Travel	$ 3,830.00	$ 3,742.98	$ (87.02)
Operating:			
Office Supplies	$ 280.00	$ 93.21	$(186.79)
Postage and Freight	200.00	180.52	(19.48)
Telephone - Combined	640.00	612.06	(27.94)
Printing	2,160.00	2,502.17	342.17
Subscriptions and Reference Manuals	95.00	89.00	(6.00)
Insurance Premiums	395.00	356.81	(38.19)
Office Equipment Repair	100.00	88.80	(11.20)
Other Equipment Repair	50.00	---	(50.00)
Special Reports	40.00	---	(40.00)
Licenses and Fees	10.00	---	(10.00)
Lab and Technical Supplies	50.00	---	(50.00)
Special Service Supplies	45.00	---	(45.00)
Total Operating	$ 4,065.00	$ 3,922.57	$(142.43)
Equipment:			
Automobiles	$ 2,300.00	$ 1,875.63	$(424.37)
Office Equipment	450.00	707.01	257.01
Total Equipment	$ 2,750.00	$ 2,582.64	$(167.36)
Total Expenditures	$56,661.00	$56,297.30	$(363.70)
Reverted to General Fund June 30, 1967		$ 363.70	

STATE OF NEVADA
INSPECTOR OF MINES
SUPPLEMENTAL LETTER TO AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

1. PETTY CASH FUND

The office of the Inspector of Mines has a small petty cash fund. The money to support this fund is an accumulation of monies and stamps received from various individuals and groups requesting information, booklets, ore specimens, etc. The money and stamps are normally enclosed with the request and are accompanied by a statement requesting the Inspector to accept the money or stamps to defray the cost of printing and/or postage. Generally, if the money received is $1.00 or over, it is returned. If the money received is under $1.00, it is added to the petty cash fund.

The money expended from this fund has been used to purchase small office supplies. The balance in the funds as of March 1, 1968, was $10.00.

RECOMMENDATION

We recommend that:

1. The money currently in the fund be deposited to the General Fund.
2. All monies or stamps, regardless of the amount, received by the Inspector of Mines with requests for information, booklets, ore specimens, etc., be returned promptly to the sender.

2. EXAMINATION REPORTS

NRS 512.130 states that the Inspector of Mines shall keep a complete record of all mines examined.

We reviewed the list of mines that the Inspector reported as being inspected. While inspection reports were on file for all material-size mines, we were unable to find inspection reports for the small, one- or two-man operations.

The Inspector of Mines explained that these small mines were generally only summer operations, and no one was present when the visit was made; consequently, no report was filed.

RECOMMENDATION

We recommend that an examination report be completed to the extent possible and filed for each mine examined.

3. SCHEDULE OF ACTION TAKEN ON RECOMMENDATIONS MADE IN OUR PRIOR AUDIT FOR THE YEAR ENDED JUNE 30, 1963

Audit Item No.	Administration Recommendations	No Action	Implemented Partially	Implemented Fully
I	Discontinue selling "Nevada Mining Claim Procedures".			X
II	The Inspector to file an Affidavit of Experience.			X
	The Deputies to file an Affidavit of Experience.			X
	Suggested Legislation			
III	NRS 512.240 (Relating to owner-only operations)	X		
	NRS 518.260 (Relating to boilers)	X		
	NRS 518.290 (Relating to smoke helmets)	X		
	Study for clarifying and updating mining safety laws	X		

COMMENT

A federal committee is currently studying the mining industry in order to develop a set of federal mine safety regulations. When those federal regulations are promulgated, the state's mine safety regulations should be reviewed.

May 14, 1968
Carson City, Nevada

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

Agreement was reached on the implementation of the foregoing recommendations between the Inspector of Mines and the Fiscal Analyst at a meeting held on June 4, 1968.

STATE OF NEVADA

MINING COOPERATIVE FUND

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1967

LEGISLATIVE COUNSEL BUREAU
ROBERT E. BRUCE, FISCAL ANALYST
CARSON CITY, NEVADA

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Mining Cooperative Fund for the fiscal year ended June 30, 1967, and have prepared therefrom the following exhibit:

Statement of Basis for Appropriation Compared with Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1967.....Exhibit A

Scope of Examination

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, except that we did not audit the detail expenditure records maintained by the United States Geological Survey.

Opinion

In our opinion, the accompanying Statement of Basis for Appropriation Compared with Actual Receipts and Expenditures presents fairly the cash transactions of the Mining Cooperative Fund for the year ended June 30, 1967, on a basis consistent with that of the preceding year and with applicable state laws.

May 14, 1968

Respectfully submitted,

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

EXHIBIT A

MINING COOPERATIVE FUND
STATEMENT OF BASIS FOR APPROPRIATION COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriations	$60,000.00	$60,000.00	$ ---
Total Funds Available	$60,000.00	$60,000.00	$ ---
Expenditures:			
Special Services and Projects	$60,000.00	$ ---	$ ---
Geological Investigation	---	45,000.00	---
Topographical Mapping	---	15,000.00	---
Total Expenditures	$60,000.00	$60,000.00	$ ---

MINING COOPERATIVE FUND

The Mining Cooperative Fund is under the jurisdiction of the Nevada Bureau of Mines, which is part of the University of Nevada.

The purpose of the Fund is to account for the State of Nevada's share of the costs of the mining, topographic, geologic, and mineral resources investigations made in the state under agreement with the Bureau of Mines by the United States Geological Survey. All costs are incurred by the United States Geological Survey, and the state will not pay more than 50% of such costs.

The United States Geological Survey submits invoices for its costs to the Bureau of Mines, who then submits a claim for one-half of the invoiced amounts to the Board of Examiners for payment. While we did review the Fund's records maintained by the Bureau of Mines, we did not audit the records of the United States Geological Survey relative to this fund.

Total expenditures of the Fund have equalled the appropriations for each of the last four fiscal years, which have been $60,000 respectively.

May 14, 1968
Carson City, Nevada

Robert E. Bruce, C.P.A.
Fiscal Analyst

STATE OF NEVADA

ADVISORY MINING BOARD

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1967

LEGISLATIVE COUNSEL BUREAU
ROBERT E. BRUCE, FISCAL ANALYST
CARSON CITY, NEVADA

Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Advisory Mining Board for the fiscal year ended June 30, 1967, and have prepared therefrom the following exhibits:

Statement of Basis for Appropriation Compared with Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1967.....Exhibit A

Scope of Examination

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.

Opinion

In our opinion, the accompanying Statement of Basis for Appropriation Compared with Actual Receipts and Expenditures presents fairly, on a cash basis of accounting, the results of the operations of the Mining Advisory Board for the year ended June 30, 1967, on a basis consistent with that of the preceding year and with applicable state laws.

May 14, 1968

Respectfully submitted,

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

EXHIBIT A

ADVISORY MINING BOARD
STATEMENT OF BASIS FOR APPROPRIATION COMPARED
WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
Appropriation	$800.00	$800.00	$ ---
Total Receipts	$800.00	$800.00	$ ---
Expenditures:			
Payroll Costs:			
Salaries	$128.00	$ ---	$(128.00)
Industrial Insurance	---	160.65	160.65
Total Payroll Costs	$128.00	$160.65	$ 32.65
Travel:			
In-State	$672.00	$ ---	$(672.00)
Total Expenditures	$800.00	$160.65	$(639.35)
Reverted to General Fund June 30, 1967		$639.35	

STATE OF NEVADA

HOISTING ENGINEERS' LICENSE FUND

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1967

LEGISLATIVE COUNSEL BUREAU
ROBERT E. BRUCE, FISCAL ANALYST
CARSON CITY, NEVADA

Nevada Legislative Commission
State Capitol
Carson City, Nevada

Gentlemen:

We have examined the accounts and records of the Hoisting Engineers' License Fund for the fiscal year ended June 30, 1967, and have prepared therefrom the following exhibits:

Statement of Financial Condition.....Exhibit A

Statement of Basis for Appropriation Compared with Actual Receipts and Expenditures and Change in Fund Balance for the Fiscal Year Ended June 30, 1967.....Exhibit B

Scope of Examination

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.

Opinion

In our opinion, the accompanying financial statements present fairly the assets and fund balance of the Hoisting Engineers' License Fund at June 30, 1967, on a cash basis of accounting, and the receipts collected and expenditures made by it during the year then ended, on a basis consistent with that of the preceding year and with applicable state laws.

May 14, 1968

Respectfully submitted,

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

EXHIBIT A

HOISTING ENGINEERS' LICENSE FUND
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1967

ASSETS	
Cash with Treasurer	$2,740.64
Total Assets	$2,740.64
FUND BALANCE	
Fund Balance, Per Exhibit B	$2,740.64
Total Fund Balance	$2,740.64

EXHIBIT B

HOISTING ENGINEERS' LICENSE FUND
STATEMENT OF BASIS FOR AUTHORIZATION COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES AND CHANGE IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
License Fees	$ 200.00	$ 302.50	$ 102.50
Expenditures:			
Payroll Costs:			
Salaries and Wages	$ 460.00	$ 10.00	$ (450.00)
Industrial Insurance	12.00	37.50	25.50
Total Payroll Costs	$ 472.00	$ 47.50	$ 424.50
Travel:			
In-State	$ 155.00	$ ---	$ (155.00)
Operating:			
Office Supplies	$ 25.00	$ 22.32	$ (2.68)
Postage	15.00	8.23	(6.77)
Printing - Operational	110.00	22.67	(87.33)
Refunds	20.00	---	(20.00)
Total Operating	$ 170.00	$ 53.22	$ (116.78)
Contingencies	$ 1,403.00	$ ---	$(1,403.00)
Total Expenditures	$ 2,200.00	$ 100.72	$(2,099.28)
Excess of Actual Receipts Over Expenditures	$(2,000.00)	$ 201.78	$(2,201.78)
Fund Balance July 1, 1966		2,538.86	
Fund Balance June 30, 1967		$2,740.64	

STATE OF NEVADA
HOISTING ENGINEERS' LICENSE FUND
SUPPLEMENTAL LETTER TO AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

1. CASH RECEIPTS

NRS 626.080 requires that all moneys received as fees for the application or renewal of hoisting engineer licenses be paid monthly into the State Treasury. We reviewed the frequency of the deposits for the four fiscal years ended June 30, 1967, and found that in seven of the forty-eight months, the receipts of one month were not deposited until the following month. The amount of receipts in any of the forementioned seven months did not exceed $20.

RECOMMENDATION

We recommend that all cash receipts be deposited in the month of collection.

2. RENEWAL OF LICENSES

Section 5 of NRS 626.270 states that each license shall be renewed annually and that the renewal fee shall be $2.50. Furthermore, if the license is not renewed within 60 days after its expiration date, the licensee must apply for a new license, pay a $5 fee, and appear before the district examining board.

We reviewed the 82 renewals made during the fiscal year 1966-67 and found that two men had not renewed their licenses within the required 60 days. The licenses were renewed 89 days and 131 days, respectively, after the 60-day grace period. The men were charged the $2.50 renewal fee instead of the $5 fee. Furthermore, the men were not required to appear before a district examining board.

RECOMMENDATION

We recommend that the Inspector enforce the penalty provisions of NRS 626.270 when licenses are not renewed within the prescribed time.

3. DISPOSITION OF SUGGESTED LEGISLATION
OUTLINED IN PREVIOUS AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1963

Audit Item No.	Suggested Legislation	No Action	Implemented Partially	Implemented Fully
1	Rewording of NRS 626.020 (Relating to examining districts)			X

May 14, 1968
Carson City, Nevada

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

Agreement was reached on the implementation of the foregoing recommendations between the Inspector of Mines and the Fiscal Analyst at a meeting held on June 4, 1968.

STATE OF NEVADA

DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION

SERVICES TO THE BLIND DIVISION

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1967

LEGISLATIVE COUNSEL BUREAU
ROBERT E. BRUCE, FISCAL ANALYST
CARSON CITY, NEVADA

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Nevada Legislative Commission
Capitol Building
Carson City, Nevada

Gentlemen:

We have examined the books and records of the Services to the Blind Division of the Department of Health, Welfare and Rehabilitation for the fiscal year ended June 30, 1967, and have prepared therefrom the following exhibits and schedule:

Combined Statement of Financial Condition, June 30, 1967.....Exhibit A

Combined Statement of Cash Receipts and Expenditures and Changes in Funds' Balances for the Fiscal Year Ended June 30, 1967.....Exhibit B

Administrative Fund, Statement of Basis for Appropriations and Authorizations Compared with Actual Receipts and Expenditures for the Fiscal Year Ended June 30, 1967.....Schedule 1

Scope of Examination

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.

Opinion

In our opinion, the accompanying financial statements present fairly, on a cash basis of accounting, the assets, reserves, and funds' balances of the Services to the Blind Division of the Department of Health, Welfare and Rehabilitation at June 30, 1967, and the actual receipts and expenditures and the changes in the funds' balances for the year then ended, on a basis consistent with that of the preceding year and with applicable state laws.

May 20, 1968
Carson City, Nevada

Respectfully submitted,

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

EXHIBIT A

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
DIVISION OF SERVICES TO THE BLIND
COMBINED STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1967

		FUNDS			
	Total	Administrative	Business Enterprise Contingent	State Grant and Gift for the Blind	In-Service Training Grant for State Personnel
ASSETS:					
Cash					
In State Treasury	$ 7,502.41	$ --	$5,196.86	$ 1,953.29	$352.26
Securities					
Gift of Common Stock (at 6/30/67 Fair Market Value)	12,287.50	--	--	12,287.50	--
Fixed Assets					
Equipment and Furniture	1.00	1.00	--	--	--
Total Assets	$19,790.91	$1.00	$5,196.86	$14,240.79	$352.26
RESERVES AND FUNDS' BALANCES:					
Reserve					
Investment in Fixed Assets	$ 1.00	$1.00	$ --	$ --	$ --
Funds' Balances					
Unappropriated per Exhibit B	19,789.91	--	5,196.86	14,240.79	352.26
Total Reserves and Funds' Balances	$19,790.91	$1.00	$5,196.86	$14,240.79	(1)$352.26

Note:
(1) $317.00 of the In-Service Training Grant for State Personnel Fund Account balance of $352.26 was returned to the federal government in March, 1968. The balance, $35.26, will be reverted to the State General Fund.

EXHIBIT B

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
DIVISION OF SERVICES TO THE BLIND
COMBINED STATEMENT OF CASH RECEIPTS AND EXPENDITURES
AND CHANGES IN FUNDS' BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

		FUNDS			
	Total	Administrative	Business Enterprise Contingent	State Grant and Gift for the Blind	In-Service Training Grant for State Personnel
RECEIPTS:					
State General Fund	$ 98,616.00	$ 98,616.00	$ ---	$ ---	$ ---
Federal Grants	67,671.62	66,171.62	---	---	1,500.00
Fees	1,561.86	---	1,561.86	---	---
Dividends	152.50	---	---	152.50	---
Transfer of Cash from State Welfare Gift and Cooperative Fund, Per Ch. 276, 1966-67 Regular Session	1,845.79	---	---	1,845.79	---
Total Receipts	$169,847.77	$164,787.62	$1,561.86	$ 1,998.29	$1,500.00
EXPENDITURES:					
Administrative Fund - Schedule 1	$156,639.55	$156,639.55	$ ---	$ ---	$ ---
Out-of-State Travel	753.15	---	---	---	753.15
In-State Travel	89.04	---	---	---	89.04
Operating Expenditures:					
Repairs & Maintenance	107.65	---	107.65	---	---
Contract Services	13.50	---	---	---	13.50
Consultant Services	459.05	---	---	---	459.05
Optic Aids	45.00	---	---	45.00	---
Equipment	630.00	---	630.00	---	---
Total	$158,736.94	$156,639.55	$ 737.65	$ 45.00	$1,314.74
Reversion to General Fund	7,981.07	7,981.07	---	---	---
Total Expenditures	$166,718.01	$164,620.62	$ 737.65	$ 45.00	$1,314.74
Excess of Receipts over Expenditures	$ 3,129.76	$ 167.00	$ 824.21	$ 1,953.29	$ 185.26
Inter-Fund Transfers	---	(167.00)	---	---	167.00
Increase in Cash Balances of Funds During Year	$ 3,129.76	$ ---	$ 824.21	$ 1,953.29	$ 352.26
Transfer of Stock from State Welfare Gift and Cooperative Fund Per Ch. 276, 1966-67 Regular Session - Fair Market Value at June 30, 1967	12,287.50	---	---	12,287.50	---

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
DIVISION OF SERVICES TO THE BLIND
COMBINED STATEMENT OF CASH RECEIPTS AND EXPENDITURES
AND CHANGES IN FUNDS' BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

		FUNDS			
	Total	Administrative	Business Enterprise Contingent	State Grant and Gift for the Blind	In-Service Training Grant for State Personnel
Increase in Funds' Balances During Year	$ 15,417.26	$ ---	$ 824.21	$14,240.79	$ 352.26
Funds' Balances, July 1, 1966	4,372.65	---	4,372.65	---	---
Funds' Balances, June 30, 1967	$ 19,789.91	$ ---	$5,196.86	$14,240.79	$ 352.26

SCHEDULE 1

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
DIVISION OF SERVICES TO THE BLIND
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation and Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Receipts:			
General Fund Appropriation	$ 96,677.00	$ 96,677.00	$ ---
Salary Adjustment	1,939.00	1,939.00	---
Federal Grant	67,205.00	66,171.62	(1,033.38)
Total Receipts	$165,821.00	$164,787.62	$ (1,033.38)
Expenditures:			
Payroll Costs:			
Salaries	$ 59,046.00	$ 58,968.71	$ (77.29)
Industrial Insurance	331.00	310.61	(20.39)
Retirement	3,426.00	3,415.17	(10.83)
Personnel Assessment	425.00	425.00	---
Group Insurance	108.00	246.28	138.28
Total Payroll Costs	$ 63,336.00	$ 63,365.77	$ 29.77
Travel:			
Out-of-State	$ 1,000.00	$ 364.45	$ (635.55)
In-State	8,000.00	4,831.68	(3,168.32)
Total Travel	$ 9,000.00	$ 5,196.13	$ (3,803.87)
Operating:			
Office Supplies	$ 350.00	$ 1,032.27	$ 682.27
Postage and Freight	350.00	360.76	10.76
Telephone and Telegraph	1,750.00	2,613.60	863.60
Printing	150.00	---	(150.00)
Subscriptions & Reference Manuals	25.00	13.00	(12.00)
Dues and Registration	40.00	51.00	11.00
Bond and Insurance Premiums	110.00	35.68	(74.32)
Contract Services	4,600.00	5,053.85	453.85
Office Equipment Repair	125.00	273.06	148.06
Building Space Rental	3,600.00	1,080.00	(2,520.00)
Heat	---	38.44	38.44
Power	---	188.11	188.11
Other Utilities	---	67.25	67.25
Licenses and Fees	40.00	---	(40.00)
Equipment Rental	50.00	---	(50.00)
Total Operating	$ 11,190.00	$ 10,807.02	$ (382.98)

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE AND REHABILITATION
DIVISION OF SERVICES TO THE BLIND
ADMINISTRATIVE FUND
STATEMENT OF BASIS FOR APPROPRIATION AND AUTHORIZATION
COMPARED WITH ACTUAL RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	Basis for Appropriation and Authorization	Actual Receipts and Expenditures	Over or (Under) Basis
Equipment:			
Office Equipment	$ ---	$ 831.25	$ 831.25
Total Equipment	$ ---	$ 831.25	$ 831.25
Vocational Rehabilitation	$ 51,125.00	$ 73,524.96	$ 23,247.03
Independent Living Rehabilitation	$ 15,170.00	$ 2,424.42	$(12,745.58)
Eye Treatment	$ 16,000.00	$ 490.00	$(15,510.00)
Total Expenditures	$165,821.00	$156,639.55	$ (9,181.45)
Transfers to Other Funds:			
In-Service Training Grant Fund	$ ---	$ 167.00	$ 167.00
Total Expenditures and Transfers	$165,821.00	$156,806.55	$ (9,014.45)
Excess of Receipts over Expenditures and Transfers, Reverted to the General Fund		$ 7,981.07	

STATE OF NEVADA
DIVISION OF SERVICES TO THE BLIND
SUPPLEMENTAL LETTER TO THE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 1967

GENERAL

The Bureau of Services to the Blind was given divisional status as of July 1, 1965, with the passage of chapter 352, Statutes of Nevada, 1965. The supervisor of the Division of Services to the Blind is directly responsible to the Director of the Department of Health, Welfare and Rehabilitation. The primary functions of the division are to do all things which will ameliorate the condition of the blind and to assist blind persons to become more self-supporting and socially independent.

OPERATIONS

The operations of the Administrative Fund are shown in detail in Schedule 1 and are summarized and compared to the previous fiscal year as follows:

	Fiscal Year		1966-67 over 1965-66 Increase (Decrease)	
	1965-66	1966-67	Amount	Percentage
Receipts:				
General Fund	$ 98,616	$ 98,616	$ ---	--- %
Federal Government	57,593	66,172	8,579	14.9
Other	225	---	(225)	---
Total Receipts	$156,434	$164,788	$ 8,354	5.3 %
Expenditures:				
Salaries and Wages	$ 53,719	$ 63,366	$ 9,647	18.0 %
Travel	5,679	5,196	(483)	(8.5)
Operating	10,711	10,807	96	---
Equipment	---	831	831	---
Vocational Rehabilitation	49,181	73,526	24,345	49.5
Independent Living Rehabilitation	5,292	2,424	(2,868)	(54.2)
Eye Treatment	4,126	490	(3,636)	(88.1)
Total Operational Expenditures	$128,708	$156,640	$27,932	21.7 %
Transfers to Other Funds		167		
Reversions to General Fund	27,726	7,981		
Total Expenditures	$156,434	$164,788		

RECEIPTS

Federal Government ($66,172)

During the fiscal year 1966-67, approximately 42% of the expenditures from the Administrative Fund were paid for with federal funds. The Federal Government participated in the costs as follows:

50% - Vocational rehabilitation expenditures
45% - Administrative expenditures
-0-% - Independent living rehabilitation and eye treatment expenditures

The total amount of participation by the Federal Government in any one year cannot exceed the federal allotment for that year.

EXPENDITURES

Vocational Rehabilitation

The division categorized the vocational rehabilitation expenditures for the 1966-67 fiscal year as follows:

Category	Amount
Equipment	$30,261
Initial stock	(14)
Diagnostic	3,496
Surgery and treatment	5,684
Prosthetic appliances	1,297
Hospital and convalescence	4,216
Training and training equipment	19,265
Maintenance and transportation	8,002
Tools and equipment	---
Other	1,319
	$73,526

As a result of the Federal Government liberalizing its regulations regarding vocational rehabilitation in 1966, certain costs which formerly had to be borne entirely by the state became eligible for federal participation. This accounts for the decrease in the Independent Living Rehabilitation and Eye Treatment expenditures and partially for the increase in the Vocational Rehabilitation expenditures during the fiscal year 1966-67.

Another reason for the increase in the Vocational Rehabilitation during the fiscal year 1966-67 was that the division started a training school for the blind in Carson City. The school was opened in December of 1966, and operated through August of 1967. A total of six persons attended the school during the nine months of operation. Only two persons attended for nine months; one person attended four months, one for two months, and two persons attended one month each. Total direct expenditures, excluding the cost of equipment, made toward the operation of this school amounted to $10,489.94. This represents an operating expenditure of approximately $400 per student month. Equipment costing $2,741.24 was purchased for use by the training school. This equipment was returned to the division after the school closed.

Orientation and Training Attendance Records

The division utilizes the services of training schools and individual tutors in its vocational rehabilitation program for the blind. Written authorization is issued to them by the Division of Services to the Blind for a certain number of hours training at a given rate during a certain period of time. Billings are periodically received by the division for services performed. These billings indicate the name of the blind person, the services performed, and the total hours and rates of services performed during a certain period of time.

RECOMMENDATION

We recommend that the division require training schools and tutors to maintain and furnish to the division daily attendance and service records.

CASE FINDING AND INTAKE PROCEDURES

The division employs a system of placing all persons in the vocational rehabilitation program in a status category. Initially, the people are placed in the referral status. Then they pass through one or more of the other status categories listed below:

Applicant Status - when the person has signed a document requesting services.

Extended Evaluation Status - to determine rehabilitation potential.

Closed - Before Being Declared an Active Case Status

Active Case Statuses:

Plan Development
Plan Approved - But Not Yet Initiated
Counseling and Guidance
Physical Restoration
Training
Ready for Employment
In Employment
Service Interrupted
Closed - Rehabilitated
Closed - After Services Have Been Provided
Closed - Before Services Have Been Provided

The following schedule reflects the number of cases which were being processed as of the indicated date:

	Referral and Applicant Cases	Active Cases	Total
Fiscal Year 1964-65 June 30, 1965	94	41	135
Fiscal Year 1965-66 June 30, 1966	95	50	145
Fiscal Year 1966-67 June 30, 1967	114	54	168
Fiscal Year 1967-68 November 30, 1967	118	60	178

The state plan does not require that a copy of pertinent information be maintained in the central office files. The district office files reviewed by us contained adequate documentation.

According to information available at the central office, of the 118 referral and applicant cases on record at November 30, 1967, only 40 case files contained documentation to justify the length of time of delay in becoming classified as

active cases. The following schedule is an analysis of the length of time of delay of all the referral and applicant cases at November 30, 1967, and the number of case files located in the central office which contained documentation to justify this delay.

No. of Months In Status	Total Referral and Applicant Cases	No. of Case Files in Central Office	
		Contain Justification	Do Not Contain Justification
1 to 5 months	36	23	13
6 to 10 months	18	7	11
11 to 15 months	33	4	29
16 to 20 months	13	3	10
21 to 25 months	9	3	6
Over 25 months	9	---	9
Totals	118	40	78

Although the district office files contain additional documentation to justify the delay for some of the cases, we feel that the central office should know the current status of all applicants and why some of them have remained in a certain status for an unusual length of time.

The supervisor of the Division of Services to the Blind informed us that he has been requesting more file data from the district offices and that ultimately, the central office files should contain the same information as the district office files.

FAIR HEARING PROCEDURE

N.R.S. 426.610(1) provides that if any applicant for or a recipient of services to the blind is dissatisfied with any action taken by or failure to act on the part of the division in respect to his case, he shall have the right to appeal to the department of health and welfare and the right to be represented in such appeal by his counsel or agent.

A vending stand operator's license was revoked by the division early in 1966. The operator immediately submitted a request for a fair hearing to the division. The supervisor of the division immediately conducted a hearing. We were unable to

find any evidence that this fair hearing request was submitted to the Department of Health, Welfare and Rehabilitation prior to the supervisor's hearing. Approximately one year later, the operator appealed directly to the Department of Health, Welfare and Rehabilitation. The decision of the supervisor of the division made at the previous hearing was upheld.

RECOMMENDATION

We recommend that all future appeal requests be forwarded to the Department of Health, Welfare and Rehabilitation, in accordance with N.R.S. 426.610(1).

FIXED ASSET INVENTORY

The Division of Services to the Blind does not maintain detail records of its fixed assets. A considerable amount of the fixed assets are in the possession of the vending stand operators and other blind clients. We were informed that it is the policy of the division to write-off various items of equipment furnished to the blind clients (tape recorders, typewriters, etc.) after five years of usage.

RECOMMENDATION

We recommend that the division establish and maintain on a current basis inventory records for all of the fixed assets obtained by it. The inventory records should include the following information:

1. Acquisition cost or value
2. Date of acquisition
3. Description of property
4. Property identification numbers - manufacturer's and state's
5. Location of property
6. Person responsible or otherwise accountable
7. Disposal of property

ADMINISTRATIVE PROCEDURES

The Division of Services to the Blind has two different types of administrative regulations for its operations as follows:

1. Nevada Plan for Vocational Rehabilitation of the Blind.

2. Regulations Governing Business Enterprise Program (Vending Stands).

The administrative regulations for Vocational Rehabilitation were filed with the Secretary of State on July 1, 1965, in accordance with N.R.S. 233B.070. On June 26, 1966, the division submitted a revised state plan for vocational rehabilitation dated July 1, 1966, to the Federal Government. This revised state plan has not been filed with the Secretary of State in accordance with the Administrative Procedures Act.

The administrative regulations for the Business Enterprise Program have never been filed with the Secretary of State as required by N.R.S. 233B.070.

RECOMMENDATION

We recommend that the division file the current administrative regulations for the two categories described above with the Secretary of State immediately, in order to enable them to become effective pursuant to N.R.S. 233B.070.

BUSINESS ENTERPRISE PROGRAM

The purposes of the Business Enterprise Program are to:

1. Provide blind persons with remunerative employment.
2. Enlarge the economic opportunities of the blind persons.
3. Stimulate blind persons to greater efforts to make themselves self-supporting.

These purposes are accomplished by allowing the blind persons to operate vending stands in public buildings or on public property under the direction of the Division of Services to the Blind.

Vending Stand Operations

There are nine approved vending stand locations. These locations have vending

stands in operation. The locations of these stands are as follows:

1. Reno Post Office
2. Las Vegas Post Office
3. Hoover Dam
4. Clark County Courthouse
5. State Office Building - Carson City
6. Motor Vehicles Building - Las Vegas
7. A.E.C. Headquarters - Las Vegas
8. Reno Federal Building
9. Las Vegas Federal Building (Opened in September, 1967)

Some of the vending stand operations include vending machines. These vending machines are either owned by the division or by private concerns. The blind operators only service some of the machines owned by the division and receive the net profit for their income. The blind operators receive a percentage of the gross receipts from those machines serviced by private concerns. The blind operators are required to pay a portion of their monthly gross receipts into the Business Enterprise Contingent Fund, in accordance with the following sliding scale:

Monthly Gross Receipts	Percent Set Aside
$ 1 - $2,000	-0-%
$2,001 - $3,000	1 % ($10)
$3,001 - $4,000	2 % ($20)
$4,001 - $5,000	3 % ($30)
$5,001 - and beyond	4 % ($40 per thousand)

The following schedule summarizes the income and expenditures of the Business Enterprise Contingent Fund for the fiscal years ended June 30, 1965, 1966, and 1967:

Fiscal Year	Fund Balance July 1	Receipts	Expenditures	Fund Balance June 30
1964-65	$2,051	$ 712	$ 51	$2,712
1965-66	$2,712	$1,661	$---	$4,373
1966-67	$4,373	$1,562	$738	$5,197

The fund is used to purchase replacement equipment and make necessary repairs to the vending stands.

Each vending stand is not treated as a separate entity in the fund's accounting records. The supervisor of the division informed us that he is considering that possibility, i.e., making each vending stand self-supporting.

In our review of the vending stand operations, we noted the following deficiencies:

1. We were unable to locate contracts or agreements for five of the operative vending stand operations.
2. We were unable to locate any agreements with private concerns owning and servicing vending machines.
3. We were unable to find initial stock merchandise inventories for six of the nine operative vending stands.
4. We were informed that the division is not inspecting any of the vending stand operators' records.

RECOMMENDATIONS

We recommend that the division:

1. Locate or execute contracts with the five vending machine operators.
2. Execute contracts with the private concerns involved in the vending machine operations.
3. Expedite its efforts in establishing initial stock merchandise inventories for all existing vending stands and establish procedures to insure that initial stock merchandise inventories are obtained for future vending stand locations.
4. Inspect the vending stands operators' books on a regular basis.

Ineligible Vending Stand Operator

N.R.S. 426.630 defines a "Blind Person" as any person who by reason of loss of or impairment of eyesight is unable to provide himself with the necessities of life, and who has not sufficient income of his own to maintain himself, and shall include any person whose visual acuity with correcting lenses does not exceed 20/200 in the better eye, or whose vision in the better eye is restricted to a field which subtends an angle of not greater than 20 degrees.

We found that one vending stand operator holds a valid Nevada driver's license. The Driver's License Division of the Department of Motor Vehicles determined his visual acuity in both eyes, with glasses, to be 20/33 in a test given September 10, 1963. The last ophthalmological examination was given to this person on March 17, 1967, by the Division of Services to the Blind. This examination revealed his visual acuity with glasses at that time to be 20/50 in the right eye and 20/25 in the left eye.

This person does not qualify as a blind person as set forth in N.R.S. 426.630. The vending stand operators are required to qualify as a blind person. This person does not qualify as an operator of a vending stand on public property.

The division has been aware of this situation since March 17, 1967.

RECOMMENDATION

The division should determine if a qualified blind person is available and willing to operate this vending stand. If such a person is available, he should be assigned to the operation of this vending stand.

Implementation of Vending Stand Survey Recommendations

We noted two cases - one involving a state building and the other involving a county building - in which the division's recommendations regarding the location and the management of the vending stands have not been implemented.

In addition, it was brought to our attention that there are vending stands in operation in some public buildings which are not under the control of the Division of Services to the Blind.

RECOMMENDATIONS

We recommend that the division:

1. Re-examine the documentation on the above two cases and determine whether or not its recommendations are still applicable.

2. Survey all operative vending stands not under the control of the Division of Services to the Blind for possible inclusion therein.

Carson City, Nevada
May 20, 1968

Robert E. Bruce

Robert E. Bruce, C.P.A.
Fiscal Analyst

Note: At a meeting held June 14, 1968, between the Fiscal Analyst and the Director of Health, Welfare and Rehabilitation, agreement was reached on implementation of most of the foregoing recommendations. The Director's exceptions and comments are attached to this report.

STATE OF NEVADA
DEPARTMENT OF HEALTH, WELFARE, AND REHABILITATION
201 SOUTH FALL STREET
CARSON CITY, NEVADA 89701

PAUL LAXALT
GOVERNOR

KARL R. HARRIS
DIRECTOR

DEPARTMENTAL DIVISIONS
ALCOHOLISM
CHILDREN'S HOME
HEALTH
MENTAL HYGIENE
NEVADA STATE HOSPITAL
NEVADA GIRLS TRAINING CENTER
NEVADA YOUTH TRAINING CENTER
REHABILITATION
SERVICES TO THE BLIND
WELFARE

June 18, 1968

Robert E. Bruce, C.P.A.
Fiscal Analyst
Legislative Counsel Bureau
State Capitol
Carson City, Nevada

Dear Mr. Bruce:

Re: Services to the Blind Division

The Department of Health, Welfare and Rehabilitation, through the Services to the Blind Division, can respond to the Legislative Audit Report for Fiscal Year 1966-67 by summarizing into major headings the recommendations contained in the report.

The Services to the Blind Division does not have rules and regulations for vending stands or contracts with vendors and providers of services.

The division will provide as soon as possible copies of these rules, regulations and contracts to meet your recommendations.

Forms will be devised for fixed assets inventory and records will be maintained according to your recommendations.

Records will be kept for all initial stock merchandise for all vending stands. Several of the vending stands presently in operation did not have initial stock provided from funds available to the Services to the Blind Division. These initial stocks were provided by the operator or other outside assistance.

** The vending stand operator mentioned on page 18 and 19 does not meet the requirements for placement in a vending stand operation. The Services to the Blind Division will contact the manager of the building involved by letter and remind him of the contract provisions. If the contract cannot be adhered to further steps will be taken to resolve this situation.

**Pages 372 and 373

A letter will be sent to the Clark County District Health Department informing them that the operation at that location is not economical nor self supporting and the Health Officer will be asked to confirm our findings.

All other locations will be reviewed as to their feasibility for a vending stand operation.

We have no difference of opinion with the recommendations of the audit in general. We appreciate the recommendations and will institute corrective action in all cases.

Sincerely,

Karl R. Harris

Karl R. Harris
Director

KRH:jhc

STATE BOARD OF ARCHITECTURE OF NEVADA

JUNE 30, 1967

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM
Certified Public Accountants
100 California Avenue
Reno, Nevada 89502

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RENO, NEVADA 89502

TELEPHONE
322-9471 AREA 702

July 31, 1967

State Board of Architecture of Nevada
137 Vassar Street
Reno, Nevada

Gentlemen:

We have examined the statement of assets and liabilities of the State Board of Architecture of Nevada at June 30, 1967, and the accompanying statements of revenues and expenditures for the period then ended. Our examination was made in conformity with generally accepted auditing standards applicable in the circumstances and included such tests and analyses of the records as we considered necessary.

The accompanying statements have been prepared on the cash basis of accounting and do not give effect to revenues earned but not received or expenses incurred but not paid during the year under review. As a result, the statements do not purport to present the financial position of the State Board of Architecture of Nevada or the results of its operations for the year under review in accordance with generally accepted accounting principles.

In our opinion, the accompanying statements present fairly the assets and liabilities of the State Board of Architecture of Nevada at June 30, 1967, arising from cash transactions, and the revenues collected and expenditures made by it during the year then ended, 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, 1967

INDEX TO FINANCIAL STATEMENTS

PAGE NO.	
1	Comments on Financial Statements.
4	Exhibit A - Statement of Assets and Liabilities.
5	Exhibit B - Statement of Revenues and Expenditures and Budget Comparison.
7	Exhibit C - Comparative Statement of Revenues and Expenditures.

STATEMENT OF ASSETS AND LIABILITIES

The balance of $1,891.78 in the Board's commercial bank account at the Nevada Bank of Commerce was confirmed by direct correspondence with the bank and reconciled to the Board's records.

The balances in the Board's savings accounts with Union Federal Savings and Loan Association and American Savings and Loan Association of $9,514.94 and $4,304.51 respectively, were both confirmed by direct correspondence with the depositories.

Unappropriated surplus decreased $735.05 during the year under review to $12,686.23. We analyze this account below:

Balance, July 1, 1966			$13,421.28
Less:	Net Loss per Exhibit B	$175.75	
	Transfer to Legal Reserve	559.30	735.05
Balance, June 30, 1967			$12,686.23

Several years ago, the Board established a legal reserve out of unappropriated surplus to be used for payment of extraordinary legal expenses incurred in a fiscal period. During the past two years, the reserve has been charged with material legal costs. This has made it necessary to transfer $559.30, during the year under review, from unappropriated surplus to the reserve, thereby increasing it to a balance considered reasonable in the light of the Board's original resolution.

STATEMENT OF REVENUE AND EXPENDITURES AND BUDGET COMPARISON

Operations for the year under review resulted in an excess of expenditures over revenues of $175.75. This decrease in net revenue as compared to that of the preceding year was due primarily to a decline in income from examinations and restorations. Also, as stated in the preceding

year's audit report, certain travel costs, dues and the Board secretary's salary incurred during the 1965-66 fiscal period were paid for during the present year. This "shifting" of costs has the effect of understating the present year's net revenue in comparison to that which was estimated, and overstating that of the preceding year.

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES

Exhibit C presents a detailed comparison of 1966-67 fiscal period revenues and expenditures with those of the preceding year.

GENERAL COMMENTS

1. Our examination included a review of the Board's internal control of financial operations. We found, within the natural limitations of any office which employs only one part-time clerk, this control to be highly satisfactory. Our tests included correlation of carbon copies of receipts issued with the financial records, member files and the permanent register of certificates (N. R. S. 623.220). All funds received, and disbursements made by the Board appear to have been properly recorded.

2. All receipts were deposited in a commercial account, and all claims were paid out of the account during the year under review. 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 the savings accounts.

3. As Exhibit B illustrates, expenditures for the year under review were in excess of revenues realized. We note that N. R. S. 623.150 states, "The Board may incur such expenses as may be necessary, but such expenses shall not exceed the revenues derived from the fees for examination,

registration and other sources as provided in this chapter." Nevertheless, it would appear clearly unreasonable for the above cited prohibition to be held to be controlling in respect to a single fiscal period.

4. General insurance and bonding expenses were not paid during the year under review because the insurance broker did not bill the Board. We recommend the bookkeeper develop a calendar of dates related to Board financial operations which would include insurance premium due dates. This would minimize omissions resulting from reliance on outside parties.

STATE BOARD OF ARCHITECTURE OF NEVADA
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1967

ASSETS

CURRENT ASSETS:		
Cash in Bank - Commercial	$ 1,891.78	
Cash in Bank - Savings	13,819.45	$15,711.23
FIXED ASSETS:		
Office Furniture and Equipment (At Nominal Value)		1.00
Total Assets		$15,712.23

LIABILITIES, RESERVES AND SURPLUS

LIABILITIES:		
Employees' Withheld Taxes		$ 26.00
RESERVES AND SURPLUS:		
Legal Reserve	$ 3,000.00	
Unappropriated Surplus	12,686.23	15,686.23
Total Liabilities, Reserves and Surplus		$15,712.23

STATE BOARD OF ARCHITECTURE OF NEVADA
STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 1967

	BUDGETED	ACTUAL	ACTUAL OVER OR (UNDER) BUDGETED
REVENUES:			
Examinations	$ 2,750.00	$ 1,295.00	$(1,455.00)
Reexaminations	1,400.00	1,275.00	(125.00)
Certificates of Registration	2,300.00	975.00	(1,325.00)
Annual Renewals	6,700.00	8,750.00	2,050.00
Restorations	325.00	100.00	(225.00)
Treatise	200.00	-	(200.00)
Miscellaneous Income	50.00	703.08	653.08
Total Revenues	$13,725.00	$13,098.03	$ (626.92)
EXPENDITURES:			
Board Salaries	$ 625.00	$ 682.50	$ 57.50
Secretary's Salary	200.00	400.00	200.00
Clerk's Salary	2,600.00	3,057.57	457.57
Extra Help	400.00	18.00	(382.00)
Travel - Out-of-State:			
Transportation	1,200.00	850.22	(349.78)
Per Diem	350.00	511.96	161.96
Travel - In-State:			
Transportation	600.00	521.75	(78.25)
Per Diem	450.00	150.37	(299.63)
Examination Expense	1,600.00	1,004.65	(595.35)
Industrial Insurance	100.00	75.53	(24.47)
Building Rental	600.00	1,300.00	700.00
Equipment Rental	75.00	80.20	5.20
Freight and Postage	400.00	282.22	(117.78)
Printing:			
Annual Register	250.00	-	(250.00)
Other Forms	150.00	260.00	110.00
Miscellaneous	250.00	163.51	(86.49)
Office Equipment Repairs and Maintenance	50.00	97.99	47.99
Office Supplies and Expense	450.00	188.05	(261.95)
Telephone:			
Service Fee	35.00	-	(35.00)
Tolls	350.00	251.96	(98.04)

STATE BOARD OF ARCHITECTURE OF NEVADA
STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 1967

	BUDGETED	ACTUAL	ACTUAL OVER OR (UNDER) BUDGETED
General Insurance and Bonding	$ 80.00	$ -	$ (80.00)
Legal Services	1,000.00	1,200.00	200.00
Audit and Accounting	500.00	790.00	290.00
Meeting Expense	100.00	25.00	(75.00)
Convention Registration	150.00	340.00	190.00
NCARB Dues and Fees	225.00	785.10	560.10
Investigation Expense	50.00	10.00	(40.00)
Capital Outlay	500.00	227.25	(272.75)
Total Expenditures	$13,340.00	$13,273.83	$ (66.17)
Revenues Over or (Under) Expenditures	$ 385.00	$ (175.75)	$ (560.75)

STATE BOARD OF ARCHITECTURE OF NEVADA
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 1966 AND JUNE 30, 1967

	YEAR ENDED JUNE 30, 1966	YEAR ENDED JUNE 30, 1967	INCREASE OR (DECREASE)
REVENUES:			
Examinations	$ 1,680.00	$ 1,295.00	$ (385.00)
Reexaminations	1,325.00	1,275.00	(50.00)
Certificates of Registration	775.00	975.00	200.00
Annual Renewals	8,775.00	8,750.00	(25.00)
Restorations	1,075.00	100.00	(975.00)
Treatise	175.00	-	(175.00)
Miscellaneous Income	721.55	703.08	(18.47)
Total Revenues	$14,526.55	$13,098.08	$(1,428.47)
EXPENDITURES:			
Board Salaries	$ 195.00	$ 682.50	$ 487.50
Secretary's Salary	-	400.00	400.00
Clerk's Salary	2,670.50	3,057.57	387.07
Extra Help	1,040.00	18.00	(1,022.00)
Travel - Out-of-State:			
Transportation	906.40	850.22	(56.18)
Per Diem	356.85	511.96	155.11
Travel - In-State:			
Transportation	381.20	521.75	140.55
Per Diem	130.45	150.37	19.92
Examination Expense	1,025.63	1,004.65	(20.98)
Industrial Insurance	117.39	75.53	(41.86)
Building Rental	1,100.00	1,300.00	200.00
Equipment Rental	83.20	80.20	(3.00)
Freight and Postage	258.70	282.22	23.52
Printing:			
Annual Register	404.50	-	(404.50)
Other Forms	582.45	260.00	(322.45)
Miscellaneous	85.72	163.51	77.79
Office Equipment Repairs and Maintenance	53.50	97.99	44.49
Office Supplies and Expense	325.91	188.05	(137.86)
Telephone:			
Service Fee	33.66	-	(33.66)
Tolls	299.95	251.96	(47.99)

STATE BOARD OF ARCHITECTURE OF NEVADA
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 1966 AND JUNE 30, 1967

	YEAR ENDED JUNE 30, 1966	YEAR ENDED JUNE 30, 1967	INCREASE OR (DECREASE)
General Insurance and Bonding	$ 51.75	$ -	$ (51.75)
Legal Services	1,670.00	1,200.00	(470.00)
Audit and Accounting	450.00	790.00	340.00
Meeting Expense	9.60	25.00	15.40
Convention Registration	-	340.00	340.00
NCARB Dues and Fees	180.00	180.00	-
Investigation Expense	-	10.00	10.00
Capital Outlay	609.88	227.25	(382.63)
Western Conference Dues	-	605.10	605.10
Total Expenditures	$13,022.24	$13,273.83	$ 251.59
Revenues Over or (Under) Expenditures	$ 1,504.31	$ (175.75)	$ 1,680.06)

NEVADA STATE BARBERS' HEALTH & SANITATION BOARD

JUNE 30, 1967

HUGH TEMPLETON
Certified Public Accountant
3121 Industrial Road
Las Vegas, Nevada

NEVADA STATE BARBERS' HEALTH & SANITATION BOARD

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Statement of Revenues and Expenditures

SUPPLEMENTARY INFORMATION

HUGH TEMPLETON
CERTIFIED PUBLIC ACCOUNTANT

3121 Industrial Road
LAS VEGAS, NEVADA

Member of
American Institute of
Certified Public Accountants

Telephone 734-6980

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, 1967 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, 1967 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

The accompanying supplemental information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in my opinion is fairly stated in all respects material in relation to the financial statements taken as a whole.

August 21, 1967

Hugh Templeton

NEVADA STATE BARBERS' HEALTH & SANITATION BOARD

STATEMENT OF FINANCIAL CONDITION

GENERAL FUND

June 30, 1967

ASSETS

Cash in Bank	$5,495.80
Fixed Assets-Office Equipment	320.20
Total Assets	$5,816.00

RESERVES AND FUND EQUITY

Reserve for Encumbrances	$ 387.60
General Fixed Assets	320.20
Unappropriated Fund Equity	5,108.20
Total Reserves and Fund Equity	$5,816.00

NEVADA STATE BARBERS' HEALTH & SANITATION BOARD

STATEMENT OF REVENUES AND EXPENDITURES

GENERAL FUND

For the Fiscal Year Ended June 30, 1967

	ESTIMATE	ACTUAL	Excess or (Deficiency) of Actual Compared with ESTIMATE
Unappropriated Fund Equity-June 30, 1966	$5,362.55	$5,362.55	
Add:			
REVENUE			
Registration and examination Fees		4,400.00	
License Renewal Fees Including Penalities on Late Fees		6,308.00	
Other Revenue		30.23	
Total Revenue	$12,000.00	$10,738.23	($1,261.77)
Total Balance & Revenue	$17,362.55	$16,100.78	($1,261.77)
Deduct:			
EXPENDITURES AND RESERVE FOR ENCUMBRANCES			
Salaries	$ 6,200.00	$ 5,775.00	($ 425.00)
Subsistance Allowed and in State Travel	2,800.00	3,461.90	661.90
Travel (Out of State)	400.00	400.00	-0-
Operating Expenses	1,700.00	1,355.68	(344.32)
Equipment	300.00	-0-	(300.00)
Total Deductions	$11,400.00	$10,992.58	($ 407.42)
Unappropriated Fund Equity-June 30, 1967	$ 5,962.55	$ 5,108.20	($ 854.35)

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, 1967.

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 $5,108.20. The present fees should be adequate for the boards' needs.

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-$5,495.80

The cash in bank was $5,495.80 at June 30, 1967 and was verified by reconciling the amount confirmed to me by the depository.

Bank of Las Vegas	$5,495.80

Reserve for Encumbrances-$387.60

This balance represents the audit fee of $75.00 for the post audit of the records and $312.60 for salaries, subsistance, travel, and operating expenses occurred in June 1967.

Unappropriated Fund Equity-$5,108.20

The unappropriated fund equity at June 30, 1967 was $5,108.20 as compared with $5,362.55 at June 30, 1966, a decrease of $254.35 which is analyzed in the statement of revenues and expenditures.

Revenue-$10,738.23

The actual revenues of $10,738.23 as compared to the estimated expected revenue of $12,000.00 was under by 10.51%. The actual revenues are summarized as follows:

Registration and Examination Fees	$4,400.00
License Renewal Fees-Shops, Journeymen, and Apprentice, including penalty fees on Late License Renewals	6,308.00
Other Income, Insurance Refund, etc.	30.23
	$10,738.23

Expenditures-$10,992.58

The actual expenditures and encumbrances of $10,992.58 were 3.57% below the estimated expected expenditures of $11,400.00.

The expenditures as segregated in budget categories are compared to the estimates as follow:

Actual salary expenses and encumbrances of $5,775.00 was 6.85% below the estimate of $6,200.00

Actual travel and subsistance expenses and encumbrances of $3,461.90 were 23.64% above the estimate of $2,800.00.

Actual operating expenses and reserve for encumbrances totaling $1,355.68 were 20.25% below the estimate of $1,700.00.

Actual Out of State Travel of $400.00 equalled the estimate of $400.00.

NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES

JUNE 30, 1967

ALBERT E. CARTLIDGE
Certified Public Accountant
1440 Haskell Street
Reno, Nevada

ALBERT E. CARTLIDGE
Certified Public Accountant

MEMBER AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER NEVADA SOCIETY
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1440 HASKELL STREET
RENO, NEVADA 89502

FAIRVIEW 9-3496
AREA CODE 702

November 21, 1967

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, 1967. I have prepared the following exhibits:

Statement of Financial Condition of the Nevada State Board of Examiners in Basic Sciences as of June 30, 1967	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, 1967, and June 30, 1966	Exhibit B

FUNCTIONS OF AGENCY

The purpose of the Nevada State Board of Examiners in the Basic Sciences, is to administer examinations in the basis 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, 1967, was $8,317.72 and the annual requirements of the board are approximately $5,500.00. The fund balance decreased $1,091.20 during the year ended June 30, 1967.

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. Previous recommendations were followed and, in my opinion, the records are now adequate.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL CONDITION OF THE NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES AS OF JUNE 30, 1967 - EXHIBIT A

Cash on deposit in the checking account at the First National Bank of Nevada, Second and Virginia Office, Reno, Nevada, totaled $231.13 at June 30, 1967. Cash on deposit in a savings account at Union Federal Savings and Loan Association, Reno, Nevada totaled $8,086.59 as of that date. I received direct confirmation of both depositories.

The board did not purchase office fixtures during the year ended June 30, 1967. All 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, 1967.

Unappropriated surplus decreased from $9,409.92 to $8,318.72, or a decrease of $1,091.20, representing the excess of expenditures or revenues for the year ended June 30, 1967.

REVENUES AND EXPENDITURES COMPARED WITH ACTUAL FOR THE NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES FOR THE YEARS ENDED JUNE 30, 1967, AND JUNE 30, 1966 - EXHIBIT B

Actual revenues for the year ended June 30, 1967, were $1,091.20 less than budgeted and $1,243.99 less than budgeted for the year ended June 30, 1966. Expenditures for the year ended June 30, 1967 equaled the amount budgeted and were $396.26 less than the amount budgeted for the year ended June 30, 1966.

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, 1967. Salaries for the previous 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 $600.00 for the current year, however, $740.75 was expended, a difference of $140.75.

Budgeted revenue for the two years totaled $10,700.00 as compared to actual revenue of $8,364.81, a difference of $2,335.19. Budgeted expenses totaled $10,700.00 for the two years as compared to actual expenditures of $10,303.74, a difference of $396.26. The two variations resulted in a net excess of expenditures over receipts for the two years of $1,938.93. It would appear, therefore, that if applicants do not increase substantially in the near future and expenses remain fairly constant, fees must be increased in order to offset an annual deficit of approximately $1,000.00.

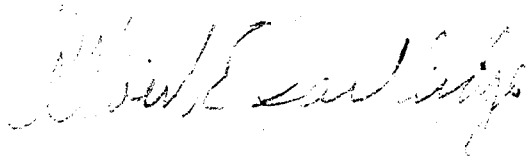
OPINION

I have examined the Statement of Financial Condition of the Nevada State Board of Examiners in the Basic Sciences as of June 30, 1967, and the related Statement of Budgeted Revenues and Expenditures Compared with Actual for the Years Ended June 30, 1967 and June 30, 1966. 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, 1967 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, 1967

EXHIBIT A

ASSETS		
Cash	$ 8,317.72	
Office Fixtures	1.00	$ 8,318.72
LIABILITIES		
None		-
UNAPPROPRIATED SURPLUS		8,318.72
Represented by:		
Balance, July 1, 1966	9,409.92	
Less: Excess of Expenditures over Revenue for the Year Ended June 30, 1967 - Exhibit B	1,091.20	
Balance, June 30, 1967	8,318.72	

NEVADA STATE BOARD OF EXAMINERS IN THE BASIC SCIENCES

EXHIBIT B

COMPARATIVE STATEMENT OF BUDGETED REVENUES AND EXPENDITURES COMPARED WITH ACTUAL
FOR THE YEARS ENDED JUNE 30, 1967 AND JUNE 30, 1966

	June 30, 1967			June 30, 1966			Total		
	Budgeted	Actual	Difference	Budgeted	Actual	Difference	Budgeted	Actual	Difference
REVENUES									
Licenses and Fees	$ 5,025.00	$ 3,980.00	$(1,045.00)	$ 4,770.00	$ 3,525.00	$(1,245.00)	$ 9,795.00	$ 7,505.00	$(2,290.00)
Interest Earned on Savings Account	475.00	428.80	(46.20)	430.00	431.01	1.01	905.00	859.81	(45.19)
	5,500.00	4,408.80	(1,091.20)	5,200.00	3,956.01	(1,243.99)	10,700.00	8,364.81	(2,335.19)
EXPENDITURES									
Salaries	4,225.00	4,225.00	-	4,000.00	3,750.00	250.00	8,225.00	7,975.00	250.00
Travel - Out of State	600.00	740.75	(140.75)	575.00	621.16	(46.16)	1,175.00	1,361.91	(186.91)
Travel - In State	175.00	173.05	1.95	175.00	117.00	58.00	350.00	290.05	59.95
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	90.00	51.08	38.92	70.00	47.00	23.00	160.00	98.08	61.92
Printing	90.00	109.00	(19.00)	80.00	37.03	42.97	170.00	146.03	23.97
Telephone and Toll Charges	20.00	1.80	18.20	10.00	-	10.00	30.00	1.80	28.20
Supplies	70.00	14.52	55.48	60.00	46.75	13.25	130.00	61.27	68.73
Contract Services	175.00	125.00	50.00	175.00	125.00	50.00	350.00	250.00	100.00
Bond Premium	5.00	5.00	-	5.00	5.00	-	10.00	10.00	-
	5,500.00	5,500.00	-	5,200.00	4,803.74	396.26	10,700.00	10,303.74	396.26
Excess of Expenditures over Receipts	-	(1,091.20)	(1,091.20)	-	(847.73)	(847.73)	-	(1,938.93)	(1,938.93)

NEVADA STATE BOARD OF CHIROPRACTIC EXAMINERS

JUNE 30, 1967

W. L. MERITHEW
Public Accountant
Phone 322-0691 - Post Office Box 1087
Reno, Nevada 89504

W. L. MERITHEW
Public Accountant
PHONE 322-0691 • POST OFFICE BOX 1087
RENO, NEVADA 89504

September 12, 1967

SEP 18 1967

ROUTE: AUDIT DIVISION ( )
LEGAL DIVISION ( )
RELEASE DIVISION ( )

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, 1967. A statement of receipts and disbursements is attached.

All receipts shown were deposited as evidenced by bank statements. Receipted bills of accounts and vouchers were verified against 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, 1966, through June 30, 1967.

Respectfully submitted,

W. L. MERITHEW

By _____
W. L. Merithew

WLM:jp
Enc.

NEVADA STATE BOARD OF CHIROPRACTIC EXAMINERS
Statement of Receipts & Disbursements
For the Period July 1, 1966 - June 30, 1967

Cash in First National Bank, 94-2, Reno, Nevada	$ 630.05	
Cash in American Savings & Loan, Reno, Nevada	4,669.70	
Total Cash as of July 1, 1966		$ 5,299.75
RECEIPTS:		
Renewal Fees	$5,410.00	
Examinations & License Fees	505.00	
Savings Interest	155.51	
Total Receipts		6,070.51
Total Cash & Receipts		$11,370.26
DISBURSEMENTS:		
Telephone & Telegraph	$ 586.04	
Postage	155.68	
Stationery & Supplies	20.85	
Printing & Mimeographing	115.16	
Travel & Mileage	578.81	
Per Diem & Subsistence	1,316.29	
Legal Fees	360.00	
Labor & Secretarial Services	3,135.00	
Social Security Taxes	134.16	
Industrial Insurance	59.25	
Miscellaneous Expense	239.28	
Total Disbursements		$ 6,700.52
Cash in First National Bank, 94-2, Reno, Nevada		1,844.53
Cash in American Savings & Loan Assn., Reno, Nevada		2,825.21
Total Disbursements plus Cash on Hand, June 30, 1967		$11,370.26

NEVADA STATE BOARD OF COSMETOLOGY

JUNE 30, 1967

MURLAND E. NEWBOLD
Certified Public Accountant
Reno, Nevada

OPINION

I have examined the financial condition of the Nevada State Board of Cosmetology as of June 30, 1967, and the related statement of revenue and expenditures for the year ended on that date. My examination was made in accordance with generally accepted auditing and accounting 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 financail condition and a true reflection of the operations of the Nevada State Board of Cosmetology for the year ended on June 30, 1967.

In my opinion, greater care should be taken in the future to keep expenditures in line with the budget because of the reduction in large amount of the cash balance during this period.

Murland E. Newbold
Certified Public Accountant

Reno, Nevada
August 23, 1967

Nevada State Board of Cosmetology
Reno, Nevada

Exhibit A

Balance Sheet
June 30, 1967

Assets	
Cash In Bank	12,409.91
Equipment	1.00
	12,410.91
Liabilities	
Accounts Payable	535.64
Fund Equity	11,875.27
	12,410.91

Nevada State Board of Cosmetology
Reno, Nevada

Exhibit B

Statement of Cash Receipts and Disbursements
And Fund Balances
July 1, 1965 to June 30, 1967

Balance of Cash On Hand July 1, 1966		24,366.80
Cash Receipts		
Renewal Fees	16,451.00	
Reciprocity Fees	3,725.00	
Delinquent Fees	5,279.00	
Back Fees	467.50	
Examination Fees	4,085.00	
Education Permits	92.00	
New Shop License Fees	1,515.00	
Overpayments	251.75	
Miscellaneous	27.47	
Cash Over	141.61	32,035.33
Total Available		56,402.13
Cash Disbursements		
Salaries	28,702.39	
Out-of-State Travel	1,048.56	
In-State Travel	6,720.03	
Office Rent	1,500.00	
Other Rent	453.00	
Telephone	1,390.62	
Postage and Freight	427.72	
Printing	1,680.74	
Supplies	528.29	
Industrial Insurance	163.98	
Refunds	201.75	
Equipment	156.66	
Miscellaneous	236.80	
Court Reporter	409.68	
Bad Checks	68.00	
Equipment Rental	25.00	
Dues	50.00	
Accounting	210.00	
Bond	10.00	
Post Office Box	9.00	43,992.22
Cash On Hand June 30, 1967		12,409.91

Nevada State Board of Cosmetology
Reno, Nevada

Exhibit C

Statement of Budgeted Revenues and Expenditures Compared to Actual for Year July 1, 1966 to June 30, 1967

	Budgeted	Actual
Salaries	15,000.00	28,702.39
Out-Of-State Travel	1,500.00	1,048.56
In-State Travel	3,500.00	6,720.03
Operating Expenses	8,400.00	7,364.58
Equipment	600.00	156.66
	29,000.00	43,992.22

Nevada State Board of Cosmetology
Reno, Nevada

Schedule 1

Bank Reconciliation
June 30, 1967

Balance as per statement			14,548.54
Less outstanding checks:	4203	283.50	
	4204	100.00	
	4205	6.31	
	4206	357.67	
	4207	94.00	
	4208	173.00	
	4209	31.60	
	4210	3.13	
	4212	155.61	
	4213	21.79	
	4214	62.57	
	4215	8.97	
	4216	12.18	
	4220	747.30	
	4221	81.00	2,138.63
Balance as per books			12,409.91

August 23, 1967

Mrs. Bernice Randall, Secretary
Nevada 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 records and accounts of the Nevada State Board of Cosmetology for the fiscal year ended on June 30, 1967, and have prepared therefrom the following exhibits and related schedules:

Balance Sheet as of June 30, 1967	Exhibit A
Statement of Cash Receipts and Disbursements and Fund Balances - July 1, 1966 to June 30, 1967	Exhibit B
Statement of Budgeted Revenues and Expenditures Compared to Actual - July 1, 1966 to June 30, 1967	Exhibit C
Bank Reconciliation as of June 30, 1967	Schedule 1

FUNCION 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 hairdressers, 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.

Internal Control Valuation

The internal control as to receiving and depositing cash receipts is not good in as much 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 $12,409.91 on June 30, 1967, which is a decrease in the balance on hand on June 30, 1966, in the amount of $11,956.89. There were outstanding bills in the amount of $535.64. These have all been paid by this date.

Possible Non-Compliance

The amount expended has not been kept in line with the amount budgeted for this period. The amount spent was more than the amount budgeted in the amount of $14,992.22. This is a very serious situation because it is not in compliance with the general law.

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 all columns of the cash receipts books be totaled and balanced for each page.

It is suggested that all columns of the cash disbursements books be totaled and balance for each month.

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 seperate items and not be included in the regular deposits.

It is suggested that the expenditures be kept in line with the amounts budgeted as required by law.

Suggested Changes and Recommendations Adhered To

There has been a big improvement in the totaling and balancing of the cash receipts and disbursements journals.

FINANCIAL STATEMENTS

Balance Sheet
Exhibit A

This statement reflects the assets and liabilities of the board as of June 30, 1967.

Statement of Cash Receipts and Disbursements
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
Exhibit C

This statement shows the actual expenditures as compared to the amount of funds that were budgeted for this period.

Bank Reconciliation
Schedule 1

This statement shows the reconciliation of the cash on hand as per books as compared to the balance as shown on the bank statement as of June 30, 1967.

NEVADA STATE CONTRACTORS BOARD

JUNE 30, 1967

SEMENZA, KOTTINGER & MC MULLEN
Certified Public Accountants
320 South Virginia Street
Post Office Box 30
Reno, Nevada

SEMENZA, KOTTINGER & MCMULLEN
CERTIFIED PUBLIC ACCOUNTANTS
320 SOUTH VIRGINIA STREET
POST OFFICE BOX 30
RENO, NEVADA
89504

TELEPHONE 323-6113

WILLIAM B. KOTTINGER
JOSEPH W. McMULLEN
JAMES L. MURPHY
JOHN F. RHODES
ROBERT J. SOMPS

JOHN R. SINKEY
RICHARD R. BENNETT
GLEN N. MAULDIN

August 16, 1967

Members of the Contractors Board
State of Nevada
Reno, Nevada

Gentlemen:

We have examined the Statement of Financial Condition of the Nevada State Contractors Board as of June 30, 1967 and the related Statement of Cash Receipts and Disbursements 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 conformity with accounting procedures established by the State of Nevada, the books of account are maintained on a cash basis of accounting and fixed or inventoriable assets are reflected in the accounts at the nominal value of one dollar.

In our opinion the accompanying statements present fairly the assets and liabilities of the Nevada State Contractors Board at June 30, 1967, arising from cash transactions, and the revenues collected and expenditures made by it during the year then ended, in accordance with the accounting practices established by the State of Nevada, and applied on a basis consistent with that of the preceding year.

Yours very truly,

Semenza, Kottinger & McMullen

NEVADA STATE CONTRACTORS BOARD
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1967

ASSETS

CURRENT ASSETS		
Cash in banks:		
First National Bank of Nevada - commercial account		$ 1,640.65
Valley Bank of Nevada - bond commercial account		5,000.00
Security National Bank of Nevada - operating savings account		11,135.54
Valley Bank of Nevada - bond savings account		37,366.69
Reserve savings accounts.		
Union Federal Savings and Loan Association	$10,677.43	
First National Bank of Nevada	75.37	
Nevada Bank of Commerce	5,469.83	
American Savings and Loan Association	5,370.25	
First National Bank of Ely	88.60	
Valley Bank of Nevada	5,220.39	
Home Savings and Loan Association	5,456.75	32,358.62
		87,501.50
FIXED ASSETS		
Furniture and office equipment	1.00	
Automobiles	1.00	2.00
OTHER ASSETS		
Deposits		8.08
		$87,511.58

LIABILITIES AND SURPLUS

LIABILITIES		
Accrued payroll taxes		$ 2,496.16
Cash bonds posted by licensees		41,000.00
		43,496.16
SURPLUS		
Balance, June 30, 1966	$72,993.56	
Deduct: Excess of expenditures over revenues for the fiscal year ended June 30, 1967	28,978.14	44,015.42
		$87,511.58

NEVADA STATE CONTRACTORS BOARD
COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 1967 AND JUNE 30, 1966

	FISCAL YEAR ENDED JUNE 30, 1967	FISCAL YEAR ENDED JUNE 30, 1966	INCREASE OR (DECREASE)
REVENUES			
License renewals	$ 95,990.00	$ 96,150.00	($ 160.00)
New licenses issued	11,570.00	11,590 00	(20.00)
Application fees	21,460.00	21,120.00	340.00
Interest income	3,723.55	3,897.40	(173.85)
Miscellaneous income	1,599.83	1,192.70	407.13
	134,343.38	133,950.10	393.28
EXPENDITURES			
Office salaries	62,833.73	55,562.68	7,271.05
Investigators' salaries	28,750.00	31,950.00	(3,200.00)
Rent	10,668.00	10,788.00	(120.00)
Health and welfare insurance	1,863.00	1,846.18	16.82
Printing	6,065.46	6,421 07	(355.61)
Office supplies	2,982.67	2,348.84	633.83
Professional services	7,880.49	5,297.95	2,582.54
Employees travel expenses	4,002.10	3,980.52	21.58
Telephone and telegraph	2,982.19	2,965.47	16.72
Postage and freight	5,367.10	4,839.52	527.58
Credit reports	1,887.81	2,205.46	(317.65)
Board expense and travel	6,679.82	3,181.36	3,498.46
Industrial insurance	396.59	491.12	(94.53)
Payroll taxes	3,982.56	3,178.55	804.01
Automobile insurance	1,730.00	10.00	1,720.00
Other insurance	1,009.00	782.50	226.50
Office equipment repair	295.45	160.82	134.63
Miscellaneous expense	870.64	590.07	280.57
Las Vegas office maintenance	435.00	437.40	(2.40)
Dues and subscriptions	261.00	895.95	(634.95)
Secretarial services	205.63	287.00	(81.37)
Twenty-fifth Anniversary expense		3,147.48	(3,147.48)
Examination expense	496.00		496.00
Auto expense	3,257.93	2,976.49	281.44
	154,902.17	144,344.43	10,557.74
Excess of revenue over operating expense	(20,558.79)	(10,394.33)	10,164.46
PURCHASE OF FIXED ASSETS			
Automobiles	2,608.67	2,295.00	313.67
Office equipment	3,659 38	1,630.87	2,028.51
Las Vegas office improvements	2,151.30		2,151.30
	8,419.35	3,925.87	4,493.48
EXCESS OF REVENUES OVER EXPENDITURES	($ 28,978.14)	($ 14,320.20)	$14,657.94

STATE OF NEVADA DAIRY COMMISSION

JUNE 30, 1967

CARLOS B. BROWN
Certified Public Accountant
290 S. Arlington Avenue
Reno, Nevada
89505

Carlos B. Brown
CERTIFIED PUBLIC ACCOUNTANT

290 S. ARLINGTON AVENUE
POST OFFICE BOX 1708
RENO, NEVADA 89505
323-6681

October 5, 1967

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, 1967. 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, 1967 on a basis consistent with that of the preceding year.

Yours very truly,

Carlos B. Brown

Certified Public Accountant

EXHIBIT A

STATE OF NEVADA DAIRY COMMISSION
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 1967

Cash on deposit with the Nevada State Treasurer, July 1, 1966			$69,201.27
Receipts (Note 1)			
Assessments for:			
Fluid Milk	$ 54,441.93		
Ice cream	37,581.52		
Cottage cheese	7,196.01		
Butter	15,714.43		
Other	1,021.41		
Total assessments	115,955.30		
Licenses	408.00		
Penalties for late payments	42.87		
Miscellaneous reimbursements	165.94		
Total receipts		$116,572.11	
Disbursements (Exhibit B) (Note 2)			
Salaries and payroll costs	92,740.46		
Out of State travel	1,883.05		
In State travel	8,112.44		
Operating	25,648.19		
Equipment	339.81		
Total disbursements		128,723.95	
Excess of disbursements over receipts			12,151.84
Cash on deposit with the Nevada State Treasurer, June 30, 1967			$57,049.43

STATE OF NEVADA DAIRY COMMISSION
FOOTNOTES TO THE
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 1967

NOTE 1

On August 21, 1967, the Dairy Commission was notified by the State Department of Administration, Personnel Division, that $9.13 representing a refund on personnel assessment charges for 1966-1967 fiscal year had been transferred to their account for the fiscal year ended June 30, 1967.

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 1967 was August 11, 1967. Vouchers paid from July 1, 1967 through August 11, 1967 and reflected in the attached statement amounted to $6,039.75 and consisted of the following:

Salaries and payroll costs	$3,331.66
In State travel	274.81
Operating costs	2,433.28
	$6,039.75

EXHIBIT B

STATE OF NEVADA DAIRY COMMISSION
COMPARATIVE STATEMENT OF BUDGETED AND ACTUAL DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 1967

	BUDGETED DISBURSEMENTS	ACTUAL DISBURSEMENTS	ACTUAL DISBURSEMENTS (OVER) OR SHORT OF AMOUNTS BUDGETED
SALARIES AND PAYROLL COSTS			
Personnel salaries	$ 98,478.00	$85,364.28	$13,113.72
Commission member salaries	2,000.00	1,120.00	880.00
Industrial insurance	563.00	466.16	96.84
Retirement	5,569.00	4,817.35	751.65
Personnel assessment	600.00	600.87	(.87)
Group insurance	432.00	371.80	60.20
Total salaries and payroll disbursements	$107,642.00	$92,740.46	$14,901.54
OUT OF STATE TRAVEL DISBURSEMENTS	$ 5,000.00	$ 1,883.05	$ 3,116.95
IN STATE TRAVEL DISBURSEMENTS	$ 9,000.00	$ 8,112.44	$ 887.56
OPERATING EXPENSES			
Office supplies	$ 2,000.00	$ 1,445.15	$ 554.85
Postage and freight	800.00	997.60	(197.60)
Telephone rental	1,120.00	1,497.50	(377.50)
Telephone tolls and telegraph	2,000.00	2,034.23	(34.23)
Printing annual reports	750.00	1,121.47	(371.47)
Printing operational	900.00	1,653.16	(753.16)
Subscriptions and reference manuals	75.00	72.00	3.00
Dues and registrations	150.00	140.00	10.00
Bond and insurance premiums	350.00	335.25	14.75
Contract services	1,800.00	668.75	1,131.25
Advertising	200.00	171.75	28.25
Attorney general services	9,000.00	9,000.00	
Office equipment repairs	450.00	951.03	(501.03)
Equipment repairs - other		43.28	(43.28)
Equipment rental	100.00	84.24	15.76
Building space rental	6,000.00	3,512.30	2,487.70
Heat	400.00	265.70	134.30
Power	150.00	402.35	(252.35)
Water	130.00	159.60	(29.60)
Other utilities	25.00	96.00	(71.00)
Building maintenance	480.00	630.00	(150.00)
Hearing costs		189.55	(189.55)
Special services or projects		99.71	(99.71)
Miscellaneous	100.00		100.00
Public hearing hall rental	200.00	77.57	122.43
Total operating	$ 27,180.00	$25,648.19	$ 1,531.81
EQUIPMENT			
Printing calculator	$ 1,100.00		$ 1,100.00
Miscellaneous	100.00	$ 339.81	(239.81)
	$ 1,200.00	$ 339.81	$ 860.19

NEVADA STATE BOARD OF DENTAL EXAMINERS

JUNE 30, 1967

FRANK, ISOLA & MARGERUM
Public Accountants
712 Mill Street
Reno, Nevada

FRANK, ISOLA & MARGERUM
712 Mill Street
Reno, Nevada

AUG 1 [illegible] 1967
ROUTE: [illegible]

August 8, 1967

Nevada State Board of Dental Examiners
Reno, Nevada

Gentlemen:

We have examined the Statement of Financial Condition of the Nevada State Board of Dental Examiners as of June 30, 1967, and the related Statement of Revenues and Expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying Statement of Financial Condition and Statement of Revenues and Expenditures present fairly the position of the Nevada State Board of Dental Examiners as of June 30, 1967, and the results of its operation for the year then ended, on a cash basis, in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Very truly yours,

FRANK, ISOLA & MARGERUM

Frank, Isola & Margerum

NEVADA STATE BOARD OF DENTAL EXAMINERS
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1967

ASSETS

CASH:	
Cash on Deposit - Nevada Bank of Commerce	$13,206.73
PROPERTY:	
Office Equipment	1.00
	$13,207.73

LIABILITIES AND CAPITAL

SURPLUS	$13,207.73

NEVADA STATE BOARD OF DENTAL EXAMINERS
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

REVENUES:			
License Fees - Dentists		$6,225.00	
License Fees - Hygienists		555.00	
Examination Fees - Dentists		3,700.00	
Examination Fees - Hygienists		500.00	
Specialty Fees		200.00	
Nevada State Society		561.65	
Total Revenues			$11,741.65
EXPENDITURES:			
Salaries		$1,850.00	
Travel:			
In State	$ 995.40		
Out of State	3,332.30		
Total Travel		4,327.70	
Operating:			
Dues and Subscriptions	$ 26.50		
Examination Expense	873.07		
Industrial Insurance	90.11		
Insurance	177.50		
Legal and Accounting	2,946.32		
Office Supplies and Postage	331.04		
Post Office Box Rent	12.00		
Telephone and Telegraph	177.87		
Office Equipment	695.00		
Total Operating		5,329.41	
Total Expenditures			11,507.11
Excess of Revenue over Expenditures			234.54
Cash Balance - July 1, 1966			12,972.19
Cash Balance - June 30, 1967			$13,206.73

NEVADA STATE BOARD OF DISPENSING OPTICIANS

JUNE 30, 1967

HEPPNER & ERNST
Certified Public Accountants
Reno, Nevada

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

August 24, 1967

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, 1967, 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, 1967 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,

Heppner & Ernst

EXHIBIT A

NEVADA STATE BOARD OF DISPENSING OPTICIANS
BALANCE SHEET
JUNE 30, 1967

ASSETS

CURRENT ASSETS	
Cash	$2,852.45

LIABILITIES

FUND EQUITY	
Balance, July 1, 1966	$2,742.14
Add excess of revenue over expenditures for the year ended June 30, 1967 (Exhibit B)	110.31
Balance, June 30, 1967	$2,852.45

EXHIBIT B

NEVADA STATE BOARD OF DISPENSING OPTICIANS
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 1967

	FOR THE YEAR ENDED JUNE 30, 1967	
	BUDGETED	ACTUAL
REVENUE		
License renewals	$345.00	$405.00
Interest	110.00	120.20
Other		2.00
	455.00	527.20
EXPENDITURES		
Industrial insurance		39.19
Out-of-State travel		191.70
In-State travel	250.00	86.00
Operating	205.00	100.00
	455.00	416.89
Excess of revenue over expenditures	$ -0-	$110.31

HEPPNER & ERNST
CERTIFIED PUBLIC ACCOUNTANTS
SECURITY NATIONAL BANK BUILDING
180 WEST FIRST STREET
RENO, NEVADA 89501

VERNON C. HEPPNER, C.P.A.
WILLIAM R. ERNST, C.P.A.

TELEPHONE
329-3428

September 19, 1967

LEGISLATIVE COUNSEL BUREAU

SEP 20 1967

ROUTE: AUDIT DIVISION (✓)
LEGAL DIVISION ( )
RESEARCH DIVISION ( )

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, 1967

The following comments are submitted relative to the audit of the above State Board.

Compliance With Statute

Our examination disclosed that the above State Board did comply with the statutes of Nevada for the period under review.

Comments on Financial Position

The Board's operations for the year ended June 30, 1967 were as follows:

1. Revenues exceeded the amount budgeted by $72.20.

2. Expenditures budgeted exceeded actual expenditures by $38.11.

3. Revenues exceeded expenditures by $110.31.

Yours very truly,

Vernon C. Heppner

VCH:clp

STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS

JUNE 30, 1967

JOSEPH A. SALOMONE
Certified Public Accountant
320 Flint Street
Reno, Nevada 89501
Telephone 323-2748

JOSEPH A. SALOMONE
CERTIFIED PUBLIC ACCOUNTANT
320 FLINT STREET
RENO, NEVADA 89501

TELEPHONE 323-2748

SEPTEMBER 15, 1967

STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS
375 FOREST STREET
RENO, NEVADA

GENTLEMEN:

I HAVE EXAMINED THE STATEMENT OF RECEIPTS AND DISBURSEMENTS AND THE STATEMENT OF RECEIPTS AND DISBURSEMENTS AS COMPARED TO THE BUDGETED AMOUNTS OF THE STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS FOR THE FISCAL YEAR ENDED JUNE 30, 1967. MY EXAMINATION WAS MADE IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS AND ACCORDINGLY INCLUDED SUCH TESTS AND ANALYSES OF THE RECORDS AS I CONSIDERED NECESSARY IN THE CIRCUMSTANCES. HOWEVER, I DID NOT CONFIRM UNPAID LICENSEES' RENEWAL FEES DIRECTLY WITH THE LICENSEES SINCE THIS WAS NOT INCLUDED IN THE SCOPE OF MY ENGAGEMENT.

IN MY 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, 1967 ON A BASIS CONSISTENT WITH THAT OF THE PRECEDING YEAR.

RESPECTFULLY SUBMITTED,

Joseph A. Salomone

STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

RECEIPTS:			
Professional engineer applications		$ 6,175.00	
Engineer in training applications		530.00	
Professional engineer renewal fees		19,605.00	
Examination fees		500.00	
Interest income		563.07	
Miscellaneous		85.50	
Total Receipts			$27,458.57
DISBURSEMENTS:			
Salaries:			
Board Secretary	$ 5,400.00		
Assistance to Board Secretary	4,800.00		
Total Salaries		$10,200.00	
Board members meeting and travel		3,471.58	
Office Expenses:			
Office supplies	$ 336.77		
Telephone	234.67		
Insurance and bond	117.56		
Rent	1,980.00		
Postage	638.60		
Printing	1,046.05		
Preparation, typing and scoring of exams	1,361.93		
Office equipment	599.92		
Repair and maintenance	38.00		
Office equipment rental	29.99		
Office help	75.00		
Subscription	2.60		
Total Office Expense		6,461.09	
Miscellaneous:			
National dues	$ 380.00		
Legal and accounting	325.00		
Refund on application fees	90.00		
F.I.C.A. taxes	442.60		
Total Miscellaneous Expense		1,237.60	
Total Disbursements			21,370.27
Excess Receipts Over Disbursements			$ 6,088.30
Cash Balance, July 1, 1966			24,077.27
Cash Balance, June 30, 1967			$30,165.57
REPRESENTED BY:			
First National Bank of Nevada			
Keystone Branch - Checking Account			$ 7,996.34
First National Bank of Nevada			
Keystone Branch - Savings Account			22,169.23
			$30,165.57

STATE BOARD OF REGISTERED PROFESSIONAL ENGINEERS
STATEMENT OF RECEIPTS AND DISBURSEMENTS
COMPARED WITH BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	BUDGET	ACTUAL	OVER (UNDER) BUDGET
UNAPPROPRIATED EQUITY, JULY 1, 1966		$ 24,077.27	
RECEIPTS:			
APPLICATION FEES	$ 7,000.00	$ 6,705.00	($ 295.00)
RENEWAL FEES	19,000.00	19,605.00	605.00
MISCELLANEOUS	700.00	1,148.57	448.57
TOTAL RECEIPTS	$ 26,700.00	$ 27,458.57	$ 758.57
DISBURSEMENTS:			
SALARIES	$ 10,600.00	$ 10,200.00	($ 400.00)
TRAVEL	3,800.00	3,471.58	(328.42)
OPERATING EXPENSE	11,406.00	7,098.77	(4,307.23)
EQUIPMENT	500.00	599.92	99.92
TOTAL DISBURSEMENTS	$ 26,306.00	$ 21,370.27	($ 4,935.73)
UNAPPROPRIATED EQUITY, JUNE 30, 1967		$ 30,165.57	

COMMENTS ON FINANCIAL STATEMENTS

THE RECEIPTS FOR THE FISCAL YEAR ENDED JUNE 30, 1967 AMOUNTING TO $27,458.57 WERE $4,723.48 LESS THAN THOSE OF THE PRECEEDING YEAR. THIS DECREASE WAS DUE PRINCIPALLY TO THE $4,055.00 REDUCTION IN RENEWAL FEES COLLECTED DURING THIS PERIOD COMPARED TO THAT OF PRIOR YEAR WHICH WAS UNUSUALLY LARGE BECAUSE OF AN OVERLAPPING OF FEES COLLECTED DUE TO THE EARLIER MAILING OF RENEWAL NOTICES.

THE DISBURSEMENTS FOR THE FISCAL YEAR UNDER REVIEW OF $21,370.27 WERE $4,969.80 LESS THAN THOSE OF THE PRIOR YEAR, RESULTING IN A CASH INCREASE OF $6,088.30.

EXHIBIT B INDICATES THE BOARD'S FINANCIAL TRANSACTIONS FOR THE YEAR WERE SUBSTANTIALLY WITHIN ITS BUDGET.

OTHER COMMENTS

1. AS A PART OF MY EXAMINATION THE INTERNAL CONTROL OF THE BOARD'S FINANCIAL OPERATIONS WAS REVIEWED AND CONSIDERED ADEQUATE UNDER THE CIRCUMSTANCES.

2. THE DEPOSITS AND EXPENDITURES WERE MADE IN ACCORDANCE WITH N.R.S. 625.145.

3. DURING THE COURSE OF MY EXAMINATION A COMPARISON AND TEST CHECK WAS MADE OF MEMBERS' CARD FILES, THE ANNUAL ROSTER (PURSUANT TO N.R.S. 625.170) AND THE PERMANENT REGISTRY. NO EXCEPTIONS WERE NOTED AND ALL RECEIPTS SEEM TO BE PROPERLY RECORDED.

JOSEPH A. SALOMONE • CERTIFIED PUBLIC ACCOUNTANT • 320 FLINT STREET • RENO, NEVADA 89501

NEVADA STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS

JUNE 30, 1967

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM
Certified Public Accountants
100 California Avenue
Reno, Nevada 89502

RAY E. ARMSTRONG
LOWELL C. BERNARD
LEROY R. BERGSTROM
DONALD E. McGHIE
ROBERT J. SMEATH

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM
CERTIFIED PUBLIC ACCOUNTANTS
100 CALIFORNIA AVENUE
RENO, NEVADA 89502

TELEPHONE
322-9471 AREA 702

August 10, 1967

Nevada State Board of
Funeral Directors and Embalmers
P. O. Box 2068
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, 1967, and the related statement of receipts and disbursements as compared to the legislative intent for the year then ended. Our examination was made in conformity with generally accepted auditing standards applicable in the circumstances, and included such tests and analyses of the records as we considered necessary.

The accompanying statements have been prepared on the cash basis of accounting and do not give effect to revenues earned but not received or expenses incurred but not paid during the year under review. As a result, the statements do not purport to present the financial position of the Nevada State Board of Funeral Directors and Embalmers or the results of its operations for the year under review in accordance with generally accepted accounting principles.

In our opinion, the accompanying statements present fairly the revenues collected and expenditures made by the Nevada State Board of Funeral Directors and Embalmers during the year ended June 30, 1967 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
JUNE 30, 1967

INDEX TO FINANCIAL STATEMENTS

PAGE NO.	
1	Comments on Financial Statements
2	Statement of Receipts and Disbursements and Reconciliation of Cash
3	Statement of Receipts and Disbursements as Compared to Legislative Intent

COMMENTS ON FINANCIAL STATEMENTS

STATEMENT OF RECEIPTS AND DISBURSEMENTS AND RECONCILIATION OF CASH

Exhibit A presents the receipts and disbursements and a reconciliation of cash for the year under review. Disbursements of $2,711.90 exceeded receipts of $1,907.25 by $804.65. The cash balance of the Board was thereby decreased from $4,005.75 at July 1, 1966 to $3,201.10 at June 30, 1967. Total disbursements for the 1966-67 fiscal year of $2,711.90 exceeded those of the preceding year by only $10.93. Receipts decreased $578.41 during the same period. This decrease was due to substantially lower examination fee collections.

STATEMENT OF RECEIPTS AND DISBURSEMENTS AS COMPARED TO LEGISLATIVE INTENT

The disbursements of $2,711.90 were $158.10 under the amount as authorized by legislative intent.

GENERAL COMMENTS

1. Our examination disclosed that the Board's financial operations were conducted in conformity with the provisions of applicable Nevada law.

2. Disbursements exceeded receipts by $804.65 during the year under review. In the preceding year, excess disbursements were $215.31. Since a continuation of this trend would soon exhaust the Board's cash reserves, we recommend that the Board institute a study of its expected expenditures in comparison to estimated future revenue to determine if an increase in fees is necessary and, if indicated, request appropriate amendments of its licensing statute.

NEVADA STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS
STATEMENT OF RECEIPTS AND DISBURSEMENTS AND RECONCILIATION OF CASH
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

RECEIPTS:			
Funeral Directors' License Fees		$ 285.00	
Embalmers' License Fees		1,197.50	
Apprentice License Fees		60.00	
Examination Fees		225.00	
Rebate - Nevada Industrial Commission		11.54	
Interest Earned		108.21	
Penalties		20.00	
Total Receipts			$1,907.25
DISBURSEMENTS:			
Salary		$1,150.00	
Travel and Room Allowance		591.92	
Operating Expenses:			
Meeting Expense	$ 66.83		
Examination Grading	8.80		
Treasurer's Bond Premium	10.00		
Industrial Insurance	55.17		
Office Supplies	155.42		
Printing	59.93		
Telephone	63.83		
Audit Expense	285.00		
Dues - The Conference of Funeral Service Examining Boards	200.00		
Capital Outlay	65.00	969.98	
Total Disbursements			2,711.90
Excess of Disbursements Over Receipts			$ (804.65)
Cash Balance, July 1, 1966			4,005.75
Cash Balance, June 30, 1967			$3,201.10
REPRESENTED BY:			
First National Bank of Nevada, Main Office, Reno, Nevada - Checking Account		$ 968.67	
Union Federal Savings and Loan Association, Reno, Nevada - Savings Account No. 27007		2,232.43	$3,201.10

NEVADA STATE BOARD OF FUNERAL DIRECTORS AND EMBALMERS
STATEMENT OF RECEIPTS AND DISBURSEMENTS
AS COMPARED TO LEGISLATIVE INTENT
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	LEGISLATIVE INTENT	ACTUAL	OVER OR (UNDER) INTENT
CASH BALANCE, July 1, 1966		$4,005.75	
Receipts:			
Funeral Directors' License Fees		$ 285.00	
Embalmers' License Fees		1,197.50	
Apprentice License Fees		60.00	
Examination Fees		225.00	
Rebate - Nevada Industrial Commission		11.54	
Interest Earned		108.21	
Penalties		20.00	
Total Receipts	$2,870.00	$1,907.25	$(962.75)
Total Funds Available		$5,913.00	
Disbursements:			
Salaries	$ 990.00	$1,150.00	$ 160.00
Travel	1,100.00	591.92	(508.08)
Operating Expenses	780.00	969.98	189.98
Total Disbursements	$2,870.00	$2,711.90	$(158.10)
CASH BALANCE, June 30, 1967		$3,201.10	

RAY E. ARMSTRONG
LOWELL C. BERNARD
LEROY R. BERGSTROM
DONALD E. McGHIE
ROBERT J. SMEATH

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM
CERTIFIED PUBLIC ACCOUNTANTS
100 CALIFORNIA AVENUE
RENO, NEVADA 89502

TELEPHONE
322-9471 AREA 702

September 18, 1967

LEGISLATIVE COUNSEL BUREAU

SEP 19 1967

ROUTE: AUDIT DIVISION ( )
LEGAL DIVISION ( )
RESEARCH DIVISION ( )

Nevada State Board of Funeral Directors
and Embalmers
P. O. Box 2068
Reno, Nevada 89505

Gentlemen:

We enclose four copies of the report on our audit of the accounts and records of your Board for the fiscal year ended June 30, 1967. A copy of this report has been mailed direct to Norman H. Terrell, Fiscal Analyst, Legislative Counsel Bureau, Carson City, Nevada.

Would you please advise us as to the date of the next meeting of the Board so that we may attend and discuss this report with you. After this meeting, the letter required by Paragraph C, Section VI, of the Instructions for Performing Audits of State Agencies will be prepared.

Very truly yours,

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM

By R.E.A.

REA:pf
Enclosures

CC: Mr. Norman H. Terrell, Fiscal Analyst
Legislative Counsel Bureau
Capitol Building
Carson City, Nevada 89701

NEVADA STATE BOARD OF MEDICAL EXAMINERS

JUNE 30, 1967

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM
Certified Public Accountants
100 California Avenue
Reno, Nevada 89502

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

July 31, 1967

Nevada State Board of Medical Examiners
3660 Baker Lane
Reno, Nevada

Gentlemen:

We have examined the statement of assets and liabilities of the Nevada State Board of Medical Examiners at June 30, 1967, and the related statement of revenues and expenditures and budget comparison for the year then ended. Our examination was made in conformity with generally accepted auditing standards applicable in the circumstances and accordingly included such tests and analyses of the records as we considered necessary.

The accompanying statements have been prepared on the cash basis of accounting and do not give effect to revenues earned but not received or expenses incurred but not paid during the year under review. As a result, the statements do not purport to present the financial position of the Nevada State Board of Medical Examiners or the results of its operations for the year under review in conformity with generally accepted accounting principles.

In our opinion, the accompanying statements present fairly the assets and liabilities of the Nevada State Board of Medical Examiners at June 30, 1967, arising from cash transactions, and the revenues collected and expenditures made by it during the year then ended, on a basis consistent with that of the preceding year.

Respectfully submitted,

Kafoury, Armstrong, Bernard and Bergstrom

NEVADA STATE BOARD OF MEDICAL EXAMINERS
JUNE 30, 1967

INDEX TO FINANCIAL STATEMENTS

PAGE NO.	
1	Comments on Financial Statements.
3	Statement of Assets and Liabilities.
4	Statement of Revenues and Expenditures and Budget Comparison

COMMENTS ON FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

Deposits with commercial banks and savings and loan associations of $35,710.09 were confirmed directly with the depositories concerned and are presented in detail in Exhibit A. The total deposits of $35,710.09 include a time certificate of deposit with Security National Bank of Nevada for $12,000.00, dated January 17, 1967, bearing interest of 5%, and maturing January 17, 1968.

The fixed assets of the Board consist of various items of furniture, fixtures and office equipment carried at a nominal value of one dollar. During the year under review, a one-half interest was acquired in an electric typewriter for $150.00.

At June 30, 1967, the Board held in trust $217.80 of 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, 1967 was $20,493.29 and is analyzed as follows:

Balance, July 1, 1966	$19,199.73
Add: Excess of Revenues over Expenditures	1,293.56
Balance, June 30, 1967	$20,493.29

STATEMENT OF REVENUES AND EXPENDITURES AND BUDGET COMPARISON

Exhibit B presents a statement of revenues and expenditures with a budget comparison on a cash basis for the year under review. Revenues of $17,799.21 exceeded expenditures of $16,505.65 by $1,293.56. The cash balance

of the Board was thereby increased from $34,198.73 at July 1, 1966 to $35,492.29 at June 30, 1967. The expenditures for the year under review of $16,505.65 represent a decrease of $3,189.64 in comparison with those of the preceding year. This decrease was primarily the result of the current normal payments of annuity and retirement charges compared with the accumulated payments in the preceding year, and also substantially lower expenditures for travel and printing. The actual revenue of $17,799.21 was $140.79 under the budgeted revenue of $17,940.00 and the actual expenditures of $16,505.65 were $2,869.35 less than the budget estimate of $19,375.00.

GENERAL COMMENTS

1. Our examination disclosed that the Board's financial operations were conducted in conformity with the provisions of applicable Nevada Law.

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	5,000.00

NEVADA STATE BOARD OF MEDICAL EXAMINERS
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1967

ASSETS

CURRENT ASSETS:			
Cash in Banks:			
Commercial Account:			
Security National Bank of Nevada		$ 6,436.60	
Savings Accounts:			
First National Bank of Nevada	$6,955.01		
Union Federal Savings and Loan Association	8,230.89		
American Savings and Loan Association	1,462.17		
Frontier Fidelity Savings and Loan Association	625.42	17,273.49	
Time Certificate of Deposit - Security National Bank of Nevada		12,000.00	
Total Current Assets			$35,710.09
FIXED ASSETS (Nominal Value Only)			1.00
Total Assets			$35,711.09

LIABILITIES AND SURPLUS

CURRENT LIABILITIES:			
Employees' Withholding Taxes			$ 217.80
SURPLUS:			
Legal Reserve		$15,000.00	
Unappropriated Surplus		20,493.29	
Total Surplus			35,493.29
Total Liabilities and Surplus			$35,711.09

NEVADA STATE BOARD OF MEDICAL EXAMINERS
STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 1967

	BUDGETED	ACTUAL	OVER (UNDER) BUDGET
REVENUES:			
Annual Registration Fees	$ 6,900.00	$ 7,350.00	$ 450.00
Permits and Endorsements	800.00	850.00	50.00
Reciprocity Fees	9,000.00	8,600.00	(400.00)
Examination Fees	300.00	-	(300.00)
Reinstatement Fees	40.00	40.00	-
Interest and Miscellaneous	900.00	959.21	59.21
Totals	$17,940.00	$17,799.21	$ (140.79)
EXPENDITURES:			
Board Salaries	$ 1,600.00	$ 1,425.00	$ (175.00)
Clerical Salaries	5,000.00	4,490.00	(510.00)
Out-of-State Travel:			
Transportation	1,400.00	613.10	(786.90)
Per Diem	675.00	480.93	(194.07)
In-State Travel:			
Transportation	900.00	667.55	(232.45)
Per Diem	800.00	1,075.00	275.00
Industrial Insurance	160.00	98.31	(61.69)
Buildings and Equipment Rental	1,300.00	1,350.00	50.00
Freight and Postage	400.00	326.69	(73.31)
Printing - Annual Register	300.00	62.40	(237.60)
Printing Miscellaneous	200.00	122.75	(77.25)
Printing - Other Forms	450.00	118.33	(331.67)
Office Supplies and Expenses	300.00	400.16	100.16
Telephone - Service Fees	270.00	166.84	(103.16)
Telephone - Tolls	250.00	135.51	(114.49)
Insurance and Bonding	350.00	286.47	(63.53)
Legal Service	1,400.00	1,100.00	(300.00)
Audit and Accounting	500.00	495.00	(5.00)
Meeting Expense	150.00	93.70	(56.30)
Convention Registration and Dues	300.00	200.00	(100.00)
Annuity and Retirement	1,370.00	1,860.57	490.57

NEVADA STATE BOARD OF MEDICAL EXAMINERS
STATEMENT OF REVENUES AND EXPENDITURES
AND BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 1967

	BUDGETED	ACTUAL	OVER (UNDER) BUDGET
Investigation Expense	$ 500.00	$ 787.34	$ 287.34
Miscellaneous	200.00	-	(200.00)
Capital Outlay	600.00	150.00	(450.00)
Totals	$19,375.00	$16,505.65	$(2,869.35)
Excess of Revenues Over Expenditures		$ 1,293.56	
Cash Balance, July 1, 1966		34,198.73	
Cash Balance, June 30, 1967		$35,492.29	

REPRESENTED BY:

Commercial Account:			
Security National Bank of Nevada, Reno, Nevada		$ 6,436.60	
Savings Accounts:			
First National Bank of Nevada, Keystone Office, Reno, Nevada	$ 6,955.01		
Union Federal Savings and Loan Association, Reno, Nevada	8,230.89		
American Savings and Loan Association, Reno, Nevada	1,462.17		
Frontier Fidelity Savings and Loan Association, Las Vegas, Nevada	625.42	17,273.49	
Time Certificate of Deposit No. AR 3601, 5%, Due January 17, 1968, Security National Bank of Nevada		12,000.00	$35,710.09
Less: Funds Held in Trust, Employees' Withholding			217.80
			$35,492.29

NEVADA STATE BOARD OF NURSING

JUNE 30, 1967

KAFOURY, ARMSTRONG, BERNARD and BERGSTROM
Certified Public Accountants
100 California Avenue
Reno, Nevada 89502

RAY E. ARMSTRONG
LOWELL C. BERNARD
LEROY R. BERGSTROM
DONALD E. McGHIE
ROBERT J. SMEATH

KAFOURY, ARMSTRONG, BERNARD AND BERGSTROM
CERTIFIED PUBLIC ACCOUNTANTS
100 CALIFORNIA AVENUE
RENO, NEVADA 89502

TELEPHONE
322-9471 AREA 702

September 6, 1967

Nevada State Board of Nursing
644 South Center Street
Reno, Nevada

Mesdames:

We have examined the statement of assets and liabilities of the Nevada State Board of Nursing at June 30, 1967, and the related statement of revenue and expenditures and budget comparison for the year then ended. Our examination was made in conformity with generally accepted auditing standards applicable in the circumstances, and accordingly included such tests and analyses of the records as we considered necessary.

Due to the absence of acceptable internal accounting control over the collection and recording of revenue prior to October 1, 1966, it was not feasible to extend our auditing procedures sufficiently to enable us to express an opinion on the statement of revenue and expenditures for the year ended June 30, 1967. Further, the absence of such control in the preceding year precludes our expression of any opinion on the comparative statement of revenue and expenditures, or on the consistency of application of generally accepted accounting principles.

In our opinion the accompanying statement presents fairly the assets and liabilities of the Nevada State Board of Nursing at June 30, 1967 arising from cash transactions.

Respectfully submitted,

Kafoury, Armstrong, Bernard and Bergstrom

NEVADA STATE BOARD OF NURSING

JUNE 30, 1967

INDEX TO FINANCIAL STATEMENTS

PAGE NO.		
1		Comments on Financial Statements.
4	Exhibit A	- Statement of Assets and Liabilities.
5	Exhibit B	- Statement of Revenue and Expenditures and Budget Comparison.
6	Exhibit C	- Comparative Statement of Revenue and Expenditures.
7	Schedule No. 1	- Schedule of Revenue.

COMMENTS ON FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES

The balance in the Board's commercial account at the First National Bank of Nevada was $4,416.57. We confirmed this balance by direct correspondence with the depository and by reconciliation to the Board's records.

On June 30, 1967 the Board had savings accounts on deposit with various institutions aggregating $23,385.52. We analyze these deposits as follows:

First National Bank of Nevada	$ 1,264.41
Union Federal Savings and Loan Association	10,000.00
American Savings and Loan Association	12,121.11
	$23,385.52

These deposits were verified by direct confirmation with the various depositories.

Unappropriated surplus at June 30, 1967 of $27,242.79 represents a $9,741.06 decrease from that of the previous year. A brief analysis of this account is presented below:

Balance, July 1, 1966	$36,983.85
Less: Excess of Expenditures over Revenue (Per Exhibit B)	9,741.06
Balance, June 30, 1967	$27,242.79

The excess of expenditures over revenue of $9,741.06 is attributable to the Board's licensing statutes. License renewals are due biennially on even numbered years. Due to the requirement of budgeting revenue and expenditures over a two year period, consideration should be given to the preparation of financial statements on a biennial basis with interim statements for odd numbered years.

STATEMENT OF REVENUE AND EXPENDITURES AND BUDGET COMPARISON

Revenue as estimated for budget purposes was $14,000.00. Actual revenue realized was $15,585.53, or $1,585.58 more than estimated.

Expenditures were estimated to be $27,884.00. The actual expenditures were $25,326.64, or $2,557.36 less than those estimated.

COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES

Exhibit C presents in detail the results of the Board's operations for the current year as compared with that of the preceding year. Revenue has been stated in total for each year because an analysis by classification was not maintained in fiscal year 1966.

GENERAL COMMENTS

1. Our examination included a review of the Board's system of internal accounting control. As noted in our opinion, there was an absence of acceptable control over the collection and recording of revenue prior to October 1, 1966. The deficiencies in the system have been corrected during the year.

2. An opinion of the Department of Attorney General of the State of Nevada in respect to N. R. S. 632.090 was requested by the Board. This section of the Nevada Revised Statutes provides, in part, that all fees received by the Board shall be deposited with the State Treasurer. In 1963 the Nevada Legislature introduced two bills covering the disposition of the Board's fee income. S. B. 60 allowed the deposit of fee income to commercial banks and savings and loan associations, while S. B. 18 required the fees to be deposited with the State Treasurer. The Legislature passed S. B. 60 first and subsequently passed S. B. 18 which, in effect, superseded S. B. 60. It is beyond the scope of our engagement to interpret legislative intent. Consequently, we recommend that the opinion of the Attorney General be complied with and that the funds of the Board be deposited with the Nevada

State Treasurer. We further recommend that enabling legislation be sought authorizing the Board to maintain its funds in its own accounts. We note that deposits held by the State Treasurer do not bear interest. Compliance with current statute will, therefore, reduce the Board's annual revenue by approximately $1,400.00.

3. A review of the fidelity bond held by the Board revealed that the Board's bookkeeping position is not covered by a surety bond. We recommend that this position be so covered for an amount not less than $2,000.00.

4. Under Internal Revenue Code Section 6302, an employer is required to remit taxes withheld from employees to an authorized governmental depositary. If taxes withheld exceed $100.00 per month, payment must be made in the month following each of the first two months of a quarter. Since the Board's monthly withholdings exceed the minimum requirement, we recommend that the regulations be followed. Failure to comply with Internal Revenue Service regulations may subject the individual Board members to costly penalties.

5. Our examination revealed that a portion of fee income from temporary licensing has been recorded as fee income from endorsement and examination. In order to provide for proper evaluation of the Board's income and to facilitate future budgeting requirements, it is necessary that a proper classification of revenue be maintained. In addition, adequate planning of future modification of licensing charges is dependent upon proper classification of current revenue as a basis for the measurement of the effect of any proposed change.

Exhibit A

NEVADA STATE BOARD OF NURSING
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1967

ASSETS

CURRENT ASSETS:			
Cash:			
Petty Cash		$ 25.00	
Cash in Bank - Commercial:			
First National Bank of Nevada, Keystone Office, Reno, Nevada		4,416.57	
Cash in Bank - Savings:			
Union Federal Savings and Loan Association	$10,000.00		
First National Bank of Nevada, Keystone Office, Reno, Nevada	1,264.41		
American Savings and Loan Association	12,121.11	23,385.52	
Total Current Assets			$27,827.09
FIXED ASSETS:			
Office Furniture and Equipment (At nominal value)			1.00
Total Assets			$27,828.09

LIABILITIES, RESERVES AND SURPLUS

LIABILITIES:	
Accrued Payroll Taxes	$ 585.30
RESERVES AND SURPLUS:	
Unappropriated Surplus	27,242.79
Total Liabilities, Reserves and Surplus	$27,828.09

NEVADA STATE BOARD OF NURSING
STATEMENT OF REVENUE AND EXPENDITURES
AND BUDGET COMPARISON
FOR THE YEAR ENDED JUNE 30, 1967

	BUDGETED	ACTUAL	EXCESS OF ACTUAL OVER OR (UNDER) BUDGETED
REVENUE (Schedule No. 1):			
Licenses by Endorsement		$ 5,813.00	
Licenses by Examination		2,840.00	
Examination Fees		1,359.50	
Temporary License Fees		2,118.00	
Renewal Fees		1,247.00	
Reinstatement Fees		622.00	
Miscellaneous Income		1,586.08	
Total Revenue	$14,000.00	$15,585.58	$ 1,585.58
EXPENDITURES:			
Board Salaries	$ 1,650.00	$ 1,550.00	$ (100.00)
Clerical Salaries	16,150.00	15,515.25	(634.75)
Travel - Out-of-State:			
Transportation	350.00	240.05	(109.95)
Per Diem	240.00	200.00	(40.00)
Travel - In-State:			
Transportation	900.00	918.15	18.15
Per Diem	600.00	496.20	(103.80)
Industrial Insurance	250.00	286.08	36.08
Building and Equipment Rental	1,200.00	1,240.00	40.00
Freight and Postage	500.00	466.96	(33.04)
Printing - Other	500.00	500.50	.50
Office Supplies and Equipment	450.00	611.52	161.52
Telephone and Telegraph	400.00	198.92	(201.08)
Insurance and Bonding	40.00	42.00	2.00
Legal Service	250.00	-	(250.00)
Audit and Accounting	500.00	510.00	10.00
Meetings Expense	25.00	-	(25.00)
Convention Registration and Dues	50.00	40.00	(10.00)
Annuity and Retirement	929.00	678.50	(250.50)
Investigation Expense	300.00	-	(300.00)
Examination Expense	750.00	560.00	(190.00)
Miscellaneous Expense	200.00	298.19	98.19
Capital Outlay	1,350.00	725.12	(624.88)
Accreditation Expense	300.00	249.20	(50.80)
Total Expenditures	$27,884.00	$25,326.64	$(2,557.36)
Excess of Expenditures over Revenue		$ 9,741.06	

NEVADA STATE BOARD OF NURSING
COMPARATIVE STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 1966 AND JUNE 30, 1967

	YEAR ENDED JUNE 30, 1966	YEAR ENDED JUNE 30, 1967	INCREASE OR (DECREASE)
REVENUE	$35,633.46	$15,585.58	$(20,047.88)*
EXPENDITURES:			
Salaries	$14,179.84	$17,065.25	$ 2,885.41
Out-of-State Travel	509.65	440.05	(69.60)
In-State Travel	1,642.21	1,663.55	21.34
Industrial Insurance	115.27	286.08	170.81
Building and Equipment Rental	825.00	1,240.00	415.00
Freight and Postage	578.05	466.96	(111.09)
Printing	1,883.43	500.50	(1,382.93)
Office Supplies and Equipment	306.32	611.52	305.20
Telephone and Telegraph	334.81	198.92	(135.89)
Insurance and Bonding	15.00	42.00	27.00
Accounting and Legal	225.00	510.00	285.00
Convention Expense	72.00	40.00	(32.00)
Annuity and Retirement	489.60	678.50	188.90
Examination Expense	649.41	560.00	(89.41)
Miscellaneous Expense	252.22	298.19	45.97
Capital Outlay	761.10	725.12	(35.98)
Total Expenditures	$22,838.91	$25,326.64	$ 2,487.73
Excess of Revenue over Expenditures	$12,794.55	$(9,741.06)	$(22,535.61)

NOTE: In accordance with N.R.S. Sections 632.180 and 632.290 licenses for both professional and practical nurses are renewable biennially on or before March 1.

* - Revenue of $35,633.46 in fiscal year 1966 reflects the renewal fees due on March 1, 1966.

Schedule No. 1

NEVADA STATE BOARD OF NURSING
SCHEDULE OF REVENUE
JUNE 30, 1967

R. N. Licenses by Endorsement	$5,228.00	
L. P. N. Licenses by Endorsement	585.00	
Total Licenses by Endorsement		$ 5,813.00
R. N. Licenses by Examination	$1,300.00	
L. P. N. Licenses by Examination	1,540.00	
Total Licenses by Examination		2,840.00
R. N. Examination Fees	$ 702.00	
L. P. N. Examination Fees	657.50	
Total Examination Fees		1,359.50
R. N. Temporary License Fees	$1,789.00	
L. P. N. Temporary License Fees	329.00	
Total Temporary License Fees		2,118.00
R. N. Renewal Fees	$ 792.00	
L. P. N. Renewal Fees	455.00	
Total Renewal Fees		1,247.00
R. N. Reinstatement Fees	$ 388.00	
L. P. N. Reinstatement Fees	234.00	
Total Reinstatement Fees		622.00
Miscellaneous Income:		
Interest Income	$1,470.90	
Duplicate License Fee	45.00	
N. I. C. Rebate	59.66	
Sale of Typewriter	30.00	
Adjustment for double posting of returned checks	(19.48)	
Total Miscellaneous Income		1,586.08
Total Revenue		$15,585.58

NEVADA STATE BOARD OF OPTOMETRY

JUNE 30, 1967

FREEMONTH, HANCOCK, GEYER & AUDRAIN
Certified Public Accountants
99 West Arroyo Street
Reno, Nevada

FREEMONTH, HANCOCK, GEYER & AUDRAIN
CERTIFIED PUBLIC ACCOUNTANTS

ELWYN F. FREEMONTH, C.P.A.
NEWELL F. HANCOCK, C.P.A.
C. WILLIAM GEYER, C.P.A.
THORNTON L. AUDRAIN, C.P.A.
D. ROGER STEWART, C.P.A.

99 WEST ARROYO STREET
RENO, NEVADA

TELEPHONE FAIRVIEW 9-0225

December 28, 1967

Nevada State Board of Optometry
1135 California Avenue
Reno, Nevada

Gentlemen:

We have examined the accounts and records of the Nevada State Board of Optometry for the year ended June 30, 1967 and submit as our report the following exhibits:

Statement of Financial Condition, As of June 30, 1967	- - Exhibit A
Comparative Statement of Revenues and Expenditures to Budget, For the Year Ended June 30, 1967	- - Exhibit B

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 accounting records of the Nevada State Board of Optometry are maintained on a cash basis and the accompanying statements have been prepared in accordance therewith.

To the extent that the accompanying statements omit accruals of receivables and payables, they do not present the financial position and results of operations in conformity with generally accepted accounting principles. In our opinion,

however, they do present the status of funds and results of operations in accordance with the provisions of the State of Nevada Revised Statutes requiring governmental agencies to transact business on a cash basis.

Respectfully submitted,

Freemonth, Hancock, Geyer & Audrain

Certified Public Accountants

EXHIBIT A

NEVADA STATE BOARD OF OPTOMETRY
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1967

ASSETS

Cash in bank - First National Bank of Nevada	$3,014.57

LIABILITIES AND SURPLUS

Surplus	
Balance, July 1, 1966	$2,293.20
Add: Excess of revenues over expenditures for the year ended June 30, 1967	721.37
Balance, June 30, 1967	$3,014.57

EXHIBIT B

NEVADA STATE BOARD OF OPTOMETRY
COMPARATIVE STATEMENT OF REVENUES
AND EXPENDITURES TO BUDGET
FOR THE YEAR ENDED JUNE 30, 1967

	Actual	Budget	Over Or (Under) Budget
Revenues			
Licenses - new	$ 10.00	$ 50.00	$ (40.00)
Licenses - renewals	1,400.00	1,450.00	(50.00)
Licenses - reciprocity	-	100.00	(100.00)
Examination fees	250.00	400.00	(150.00)
Penalties	150.00	-	150.00
Total revenue	1,810.00	2,000.00	(190.00)
Expenditures			
Board members' compensation	600.00	800.00	(200.00)
Secretary's compensation	139.00	165.00	(26.00)
Stenographer's compensation	-	35.00	(35.00)
Travel - out-of-state	81.69	400.00	(318.31)
Travel - in-state	45.15	150.00	(104.85)
Meals and lodging	2.00	125.00	(123.00)
Freight and postage	20.00	25.00	(5.00)
Printing	81.59	85.00	(3.41)
Office supplies	4.21	15.00	(10.79)
Telephone and telegraph	12.84	55.00	(42.16)
Dues and subscriptions	55.00	75.00	(20.00)
Position bond	13.00	15.00	(2.00)
Equipment rental	-	30.00	(30.00)
Clerical assistance	6.00	-	6.00
Examination expense	19.00	-	19.00
Industrial insurance	9.15	-	9.15
Total expenditures	1,088.63	1,975.00	(886.37)
Excess of revenues over expenditures	$ 721.37	$ 25.00	$ 696.37

NEVADA STATE BOARD OF OSTEOPATHY

JULY 1, 1965 - JUNE 30, 1967

FREDERICK D. KOEHLER
Certified Public Accountant
830 Ryland Street - Room 1 - Telephone 329-4864
Reno, Nevada 89502

FREDERICK D. KOEHLER
CERTIFIED PUBLIC ACCOUNTANT
830 RYLAND STREET — ROOM 1 — TELEPHONE 329-4864
RENO, NEVADA, 89502

State Board of Osteopathy
P. O. Box 398
Minden, Nevada

July 24, 1967

Gentlemen:

We have examined the accounts and records of the State Board of Osteopathy, State of Nevada, for the two years ending June 30, 1967 and have prepared therefrom the attached Statement of Revenues and Expenditures for the fiscal years then ended.

Our examination was made in accordance with generally accepted auditing standards for organizations on a cash basis. We made a detailed examination of all recorded financial transactions as no books of account are maintained and the number of transactions is small.

This Board's financial activity was not audited for the fiscal year ending June 30, 1966. As required in Nevada Revised Statutes, Nevada State agencies are required to submit an annual audit.

In our opinion, the accompanying Statement of Revenues and Expenditures presents fairly the financial position of the operating fund of the State Board of Osteopathy, State of Nevada, as of June 30, 1967, and the results of its operations for the two year period then ended in conformity with generally accepted accounting principles reflecting financial transactions on a cash basis.

Very truly yours,

Frederick D. Koehler

STATE OF NEVADA
STATE BOARD OF OSTEOPATHY
Statement of Revenues and Expenditures - Operating Fund
For the Period July 1, 1965 - June 30, 1967

Revenues:		
Osteopathic Licenses:		
Applications	$ 900.00	
Annual Registrations	1,545.00	
	$2,445.00	
Interest on Savings Account	246.00	
Total Revenues		$2,691.00
Expenditures:		
Compensation of Board Members	$ 400.00	
Travel	811.75	
	$1,211.75	
Operating Expense:		
Office Supplies	140.40	
Postage	8.14	
Telephone	8.29	
Secretarial Fees - License Revewals	316.00	
Audit Fee	150.00	
Dues	45.00	
Insurance	9.46	
Total Expenditures		1,889.04
Excess of Revenues over Expenditures		$ 801.96
Add: Balances in Operating Fund, July 1, 1965		
First National Bank of Nevada - Minden Branch		1,962.68
Union Federal Savings and Loan Assoc. - Reno		2,391.81
Office Furniture and Equipment (Note)		1.00
Operating Fund Balance, June 30, 1965		$5,157.45
Accounted for as follows:		
First National Bank of Nevada - Minden	$2,518.64	
Union Federal Savings and Loan Assoc. - Reno	2,637.81	
Office Furniture and Equipment	1.00	
		$5,157.45

Note: The value of office furniture and equipment is reflected at the nominal sum of $1.00 since the inventory of such property is the responsibility of the Purchasing Division of the Department of Administration.

NEVADA STATE BOARD OF PHARMACY

JUNE 30, 1967

GEORGE L. PETTYCREW
Public Accountant
Reno, Nevada

GEORGE L. PETTYCREW
139 NORTH VIRGINIA STREET
TELEPHONE FA. 2-2439
RENO, NEVADA

PUBLIC ACCOUNTANT

LICENSED REAL ESTATE BROKER

September 26, 1967

Mr. W. L. Merithew, Secretary,
Nevada State Board of Pharmacy,
Reno, Nevada.

Dear Mr. Merithew:

Upon your request, I have examined the Accounts and records of the Nevada State Board of Pharmacy for the fiscal year ending June 30, 1967.

All of the accounts were not verified in detail. However, the examination was made in accordance with generally accepted auditing standards, including such tests of the accounting records and procedures as were considered necessary. I have no knowledge of misstatements in the accounts or of omission of material facts.

In my opinion, the accompanying statements present fairly the results of the financial operations of the Board for the period in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours very truly,

George L. Pettycrew

George L. Pettycrew

Nevada State Board of Pharmacy
Reno, Nevada
* * * * *
Audit Report
June 30, 1967

General Comment:

Conforming to the methods and procedures used for prior years, the financial records of the Nevada State Board of Pharmacy are kept on the cash basis. Accuracy of all records is assured by adequate internal control. A combined cash-journal is the book of original entry. Entries are posted to a standard general ledger and records are properly maintained.

Records of the individual pharmacists, pharmacies and other permit holders were test-checked. Payments of 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 examined and were found to be properly reconciled to the related records.

Amounts of cash which were recorded as being on hand at the beginning and the end of the period were traced to the bank statements. The records are in proper order.

The minutes recording the business transacted by the Board are complete and correct.

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, 1967

Cash on Hand, July 1, 1966		$76,628.97
Receipts:		
Reciprocals, Renewals and Certificates	$28,377.50	
Examinations	3,960.00	
Pharmacy Permits	3,600.00	
Wholesalers and Manufacturers	500.00	
Miscellaneous: Grades, Temporary Permits and Sundry Items	2,551.20	
Total Receipts		38,988.70
Total Cash to Account For		$115,617.67
Disbursements:		
Salaries	$13,735.12	
1967 Salary Deductions not paid this period	(469.31)	
1966 Salary Deductions paid this period	462.07	
Employer's Salary Tax Expenses paid	704.62	
Industrial Insurance	124.96	
Insurance, Other	86.00	
Mileage	1,844.14	
Subsistence	1,894.06	
Printing and Stationery	2,465.10	
Postage	283.53	
Telephone	809.41	
Rent	650.00	
Inspection	615.00	
Examknation	484.62	
Legal	3,257.49	
Per Diem Expense	4,109.10	
Supplies	771.33	
Convention Expense	2,953.67	
Miscellaneous	889.00	
Purchase of Equipment	800.38	
Total Disbursements		$36,470.29
Cash on Hand, June 30, 1967		79,147.38
Total Cash Accounted For		$115,617.67

George L. Pettvcrew, Public Accountant, Reno, Nevada 89501

Nevada State Board of Pharmacy
Reno, Nevada
* * * * *
Balance Sheet
June 30, 1967

Assets:

Cash Items:			
First National Bank - Commercial Account		$484.90	
Nevada Bank of Commerce - Commercial Account		26,133.98	
First National Bank - Savings Account		2,584.25	
Nevada Bank of Commerce - Savings Account		5,628.33	
Pioneer Citizens Bank - Savings Account		5,310.24	
Security National Bank - Savings Account		11,519.28	
Union Federal Savings and Loan Association		14,640.31	
Valley Bank of Nevada - Savings Account		10,811.09	
Petty Cash		20.00	
Cash Items for Deposit in Bank		2,015.00	
Total Cash on Hand			$79,147.38
Office Equipment			1,542.58
Total Assets			$80,689.96

Liabilities and Fund Balance:

Liabilities:			
OASI Deductions not yet paid		$129.31	
Income Taxes Withheld from Employees		340.00	
Total Liabilities			$469.31
Fund Balance:			
Balance, June 30, 1966		$76,909.10	
Receipts		38,988.70	
Total		$115,897.80	
Disbursements	$36,470.29		
Deduct for Equipment Purchased	800.38		
	$35,669.91		
Plus Salary Deductions Increase:			
June 30, 1967 $469.31			
June 30, 1966 462.07	7.24	35,677.15	
Fund Balance, June 30, 1967			80,220.65
Total Liabilities and Fund Balance			$80,689.96

NEVADA STATE BOARD OF PSYCHOLOGICAL EXAMINERS

JUNE 30, 1967

HAZEL ADAMS
Certified Public Accountant
Las Vegas, Nevada

August 9, 1967

AUDITOR'S REPORT

To The Members of The Board
Nevada State Board of Psychological Examiners

I have examined the statement of receipts and disbursements of the Nevada State Board of Psychological Examiners for the period July 1, 1965 through June 30, 1966. 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 receipts and disbursements presents fairly the results of the operations of the Nevada State Board of Psychological Examiners, for the period July 1, 1965 through June 30, 1966, in conformity with generally accepted accounting principles.

Hazel E Adams
(Mrs.) Hazel E. Adams
Certified Public Accountant

NEVADA STATE BOARD OF PSYCHOLOGICAL EXAMINERS
Statement of Receipts and Disbursements
July 1, 1965 Through June 30, 1966

Receipts:		
Application, examination, certification and registration fees		$ 335.00
Disbursements:		
Secretarial services	$ 5.00	
Stationery and printing	79.91	
Travel expense of board members	93.00	
Total disbursements		177.91
Excess of receipts over disbursements		$ 157.09

CASH IN BANK OF NEVADA

Cash in Bank, July 1, 1965	$ 955.11
Add excess of receipts over disbursements (see above)	157.09
Cash in Bank, June 30, 1966	$ 1,112.20

NEVADA STATE BOARD OF VETERINARY MEDICAL EXAMINERS

JUNE 30, 1967

JOSEPH A. SALOMONE
Certified Public Accountant
320 Flint Street
Reno, Nevada 89501
Telephone 323-2748

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, 1987, 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 REVENUE AND EXPENDITURES PRESENT FAIRLY THE FINANCIAL CONDITION OF THE GENERAL FUND OF THE NEVADA STATE BOARD OF VETERINARY MEDICAL EXAMINERS AS OF JUNE 30, 1987, AND THE RESULTS OF ITS OPERATIONS FOR THE YEAR THEN ENDED IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

Joseph A. Salomone

RENO, NEVADA
AUGUST 2, 1987

NEVADA STATE BOARD OF VETERINARY MEDICAL EXAMINERS
STATEMENT OF FINANCIAL CONDITION
GENERAL FUND
JUNE 30, 1957

ASSETS

CASH IN BANK	$ 2,613.63
TOTAL ASSETS	$ 2,613.63

FUND EQUITY

VOUCHERS PAYABLE	$ 51.30
UNAPPROPRIATED SURPLUS - EXHIBIT B	2,562.33
TOTAL FUND EQUITY	$ 2,613.63

EXHIBIT B

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, 1967

	Estimated	Actual	Excess or (Deficiency) of Actual Compared with Estimate
Unappropriated Fund Equity July 1, 1966	$3,930.66	$3,930.66	$
Add: Revenue:			
Examination fees	$1,000.00	$ 535.00	($ 465.00)
Licenses renewal fees	1,300.00	1,500.00	200.00
Total Revenue	$2,300.00	$2,035.00	($ 265.00)
	$6,230.66	$5,973.66	($ 265.00)
Deduct: Expenditures:			
Audit	$ 68.00	$ 75.00	$ 7.00
Dues	25.00	25.00	
Insurance N.I.C. - net		37.99	37.99
Steno-secretarial services	260.00	180.00	(80.00)
Postage	40.00	21.45	(18.55)
Supplies - office	85.00	119.69	34.69
Supplies - examinations	175.00	170.00	(5.00)
Telephone	100.00	102.80	2.80
Travel - meetings, board examinations, etc.	1,600.00	2,679.40	1,079.40
Total Expenditures	$2,353.00	$3,411.33	$1,058.33
Unappropriated Fund Equity - June 30, 1967	$3,885.66	$2,562.33	($1,323.33)

NEVADA STATE BOARD OF PUBLIC ACCOUNTANTS

JUNE 30, 1966 AND 1967

THOMAS G. KEEGAN
Certified Public Accountant
Reno, Nevada

THOMAS G. KEEGAN
CERTIFIED PUBLIC ACCOUNTANT
P. O. BOX 6175
RENO, NEVADA 89503

AREA 702 786-1072

July 16, 1968

Nevada State Board of Public Accountants
290 South Arlington
Reno, Nevada 89501

Gentlemen:

I have examined the accounts and records of the Nevada State Board of Public Accountants for the fiscal years ended June 30, 1966 and 1967, and have prepared therefrom the following exhibits:

Exhibit A - Statement of Cash Receipts and Disbursements - June 30, 1966

Exhibit B - Statement of Cash Receipts and Disbursements - June 30, 1967

Exhibit C - Statement of Cash Receipts and Disbursements as Compared with Legislative Intent - June 30, 1966

Exhibit D - Statement of Cash Receipts and Disbursements as Compared with Legislative Intent - June 30, 1967

My examinations were 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 statements present fairly the results of the operations of the Nevada State Board of Public Accountants for the fiscal years ended June 30, 1966 and 1967, arising from cash transactions, in conformity with generally accepted accounting principles applied on a consistent basis.

Respectfully submitted,

Thomas G. Keegan

Certified Public Accountant

NEVADA STATE BOARD OF PUBLIC ACCOUNTANTS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

RECEIPTS:		
License Renewal Fees	$6,280.00	
Reciprocity Certificate Fees	275.00	
Examination Fees	2,835.00	
Contract Services -- Reimbursements	856.00	
Interest Received	432.36	
Miscellaneous	7.50	
Total Receipts		$10,685.86
DISBURSEMENTS:		
Contract Services -- Secretarial	$3,013.00	
In-State Travel -- State Board Meetings	931.50	
Out-of-State Travel -- Meetings	345.09	
Office Supplies and Expense	457.26	
Telephone	6.05	
Printing	349.06	
Office Rental	600.00	
Examination Expenses	1,689.86	
Nevada Industrial Insurance	99.00	
Investigation Expenses	116.33	
Fee Refunds	35.00	
Total Disbursements		7,642.15
Excess of Receipts Over Disbursements		$ 3,043.71
Add: Cash Balance, July 1, 1965		19,492.06
Cash Balance, June 30, 1966		$22,535.77
REPRESENTED BY:		
Commercial Bank Account, First National Bank of Nevada, Second & Virginia Office, Reno, Nevada		$12,535.77
Time Certificate of Deposit, First National Bank of Nevada, Reno, Nevada		10,000.00
Total Cash		$22,535.77

THOMAS G. KEEGAN
CERTIFIED PUBLIC ACCOUNTANT

NEVADA STATE BOARD OF PUBLIC ACCOUNTANTS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

RECEIPTS:		
License Renewal Fees	$6,425.00	
Reciprocity and Temporary Certificate Fees	425.00	
Examination Fees	2,325.00	
Contract Services — Reimbursements	1,393.20	
Interest Received	784.08	
Miscellaneous	22.93	
Total Receipts		$11,375.21
DISBURSEMENTS:		
Contract Services — Secretarial	$3,285.00	
In-State Travel — State Board Meetings	1,224.75	
Out-of-State Travel — Meetings	515.05	
Office Supplies and Expense	1,086.91	
Postage	444.00	
Telephone	203.21	
Printing	967.46	
Office Rental	880.00	
Examination Expenses	1,874.59	
Nevada Industrial Insurance	87.49	
Fee Refunds	100.00	
Legal Fees	478.75	
Total Disbursements		11,147.21
Excess of Receipts Over Disbursements		$ 228.00
Add: Cash Balance, July 1, 1966		22,535.77
Cash Balance, June 30, 1967		$22,763.77
REPRESENTED BY:		
Commercial Bank Account, First National Bank of Nevada, Second & Virginia Office, Reno, Nevada		$ 2,763.77
Time Certificates of Deposit:		
Bank of Nevada, Las Vegas, Nevada		5,000.00
First National Bank of Nevada, Reno, Nevada		5,000.00
Nevada Bank of Commerce, Reno, Nevada		10,000.00
Total Cash		$22,763.77

THOMAS G. KEEGAN
CERTIFIED PUBLIC ACCOUNTANT

NEVADA STATE BOARD OF PUBLIC ACCOUNTANTS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AS
COMPARED WITH LEGISLATIVE INTENT
FOR THE FISCAL YEAR ENDED JUNE 30, 1966

	LEGISLATIVE INTENT	ACTUAL	OVER OR (UNDER) INTENT
RECEIPTS:			
License Renewal Fees	$6,000.00	$ 6,280.00	$ 280.00
Reciprocity Certificate Fees	300.00	275.00	(25.00)
Examination Fees	2,000.00	2,835.00	835.00
Contract Services — Reimbursements	500.00	856.00	356.00
Interest Received	---	432.36	432.36
Miscellaneous	---	7.50	7.50
Total Receipts	$8,800.00	$10,685.86	$1,885.86
DISBURSEMENTS:			
Contract Services — Secretarial	$2,400.00	$ 3,013.00	$ 613.00
In-State Travel — State Board Meetings	1,250.00	931.50	(318.50)
Out-of-State Travel — Meetings	---	345.09	345.09
Office Supplies and Expense	750.00	457.26	(292.74)
Telephone	50.00	6.05	(43.95)
Printing	900.00	349.06	(550.94)
Contract Services	100.00	---	(100.00)
Office Rental	600.00	600.00	---
Examination Expenses	1,350.00	1,689.86	339.86
Office Equipment	75.00	---	(75.00)
Nevada Industrial Insurance	---	99.00	99.00
Investigation Expenses	---	116.33	116.33
Fee Refunds	---	35.00	35.00
Total Disbursements	$7,475.00	$ 7,642.15	$ 167.15
Excess of Receipts Over Disbursements		$ 3,043.71	

THOMAS G. KEEGAN
CERTIFIED PUBLIC ACCOUNTANT

NEVADA STATE BOARD OF PUBLIC ACCOUNTANTS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AS
COMPARED WITH LEGISLATIVE INTENT
FOR THE FISCAL YEAR ENDED JUNE 30, 1967

	LEGISLATIVE INTENT	ACTUAL	OVER OR (UNDER) INTENT
RECEIPTS:			
License Renewal Fees	$6,100.00	$ 6,425.00	$ 325.00
Reciprocity and Temporary Certificate Fees	300.00	425.00	125.00
Examination Fees	2,000.00	2,325.00	325.00
Contract Services — Reimbursements	500.00	1,393.20	893.20
Interest Received	---	784.08	784.08
Miscellaneous	---	22.93	22.93
Total Receipts	$8,900.00	$11,375.21	$2,475.21
DISBURSEMENTS:			
Contract Services — Secretarial	$2,400.00	$ 3,285.00	$ 885.00
In-State Travel — State Board Meetings	1,250.00	1,224.75	(25.25)
Out-of-State Travel — Meetings	---	515.05	515.05
Office Supplies and Expense	750.00	1,086.91	336.91
Postage	---	444.00	444.00
Telephone	50.00	203.21	153.21
Printing	900.00	967.46	67.46
Contract Services	100.00	---	(100.00)
Office Rental	600.00	880.00	280.00
Examination Expenses	1,400.00	1,874.59	474.59
Nevada Industrial Insurance	---	87.49	87.49
Fee Refunds	---	100.00	100.00
Legal Fees	---	478.75	478.75
Total Disbursements	$7,450.00	$11,147.21	$3,697.21
Excess of Receipts Over Disbursements		$ 228.00	

THOMAS G. KEEGAN
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