

STATE OF NEVADA

BIENNIAL REPORT

OF THE

Nevada Industrial Commission

For the Period
July 1, 1950, to June 30, 1952, Inclusive



CARSON CITY, NEVADA
STATE PRINTING OFFICE - - JACK MCCARTHY, SUPERINTENDENT
1953

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LETTER OF TRANSMITTAL

CARSON CITY, NEVADA.

To His Excellency, CHARLES H. RUSSELL, Governor of the State of Nevada.

DEAR SIR: The Nevada Industrial Commission has the honor to submit the accompanying report of its administration for the biennium ended June 30, 1952.

GEORGE L. PETTYCREW, *Chairman.*

JOE FARNSWORTH, *Commissioner.*

DONALD W. EVERETT, *Commissioner.*

REPORT OF THE NEVADA INDUSTRIAL COMMISSION

The financial statements appearing in this Report have been prepared by independent accountants who were selected by the Nevada Industrial Insurance Board for their unquestionable ability and integrity. The statements for the year ending June 30, 1951, were submitted by the firm of Semenza and Kottinger which audited the records for that year. The records for the year ending June 30, 1952, were audited by the firm of Kafoury and Armstrong.

The firm of Kafoury and Armstrong audited the financial records of the Commission at the same time that Woodward and Fondiller were conducting the actuarial survey. Men from the two organizations cooperated wholeheartedly with each other in the analysis of the Commission's records and operations. The result is that the information submitted by the two organizations in their reports to the Commission cannot be excelled.

Recommendations of the accountants and of the actuaries are designed to result in a stable, actuarially sound and efficient insurance organization. As rapidly as possible, these recommendations are being placed in effect.

Woodward and Fondiller, Inc., Consulting Actuaries, with many years of workmen's compensation insurance experience, have made an intensive study of the Commission. A new classification of premium rates which was promulgated by the actuaries was placed in effect January 1, 1953. There had been 179 job classifications in the prior schedule. There are now 42 analogous-hazard classifications. The rate study required the compiling of data for a four-year period ending June 30, 1951.

Over 12,000 claims are now being filed annually. This is an increase of 50 percent in four years and is 23 percent more than one year ago. These increases have correspondingly increased the clerical and administrative activities of the Commission.

The actuaries have developed a new merit rating plan for those employers who have a good record for safety. Such employers will benefit by a premium rebate. A debit rating plan has also been developed for those employers whose safety record is below the standard of their classification.

An intensive study of the reserves was made by the actuaries. Their recommendations were adopted by this Commission and are reflected in the Balance Sheet of June 30, 1952.

To meet the increased volume of claims and of premium income, International Business Machines have been installed. These machines have been used to collect data for the actuarial survey and will now be used for current accounting work. The old manual system of record keeping is gradually being replaced by modern methods and systems. The installation of these methods will soon be completed and the many advantages will be of great value. Simplification of office forms and procedures will result in more information with much improvement in efficiency.

The last part of the actuarial survey is now in progress. This consists of a detailed analysis and survey of the office procedures and organizational structure of the Industrial Commission. There will be a written report containing flow charts and manual of procedures.

This manual of procedures is to include the following:

- (a) Instructions for establishing inventory of pending claims.
- (b) Instructions for determining reserve values for each pending claim.
- (c) Instructions for determining reserve for incurred but not yet reported claims.
- (d) Instructions for determining reserves for unknown cases which are among those currently considered closed but which will be reopened.

One of the most serious drawbacks with which the Commissioners are required to work is the present Industrial Insurance Act. Ambiguous statements, conflicting regulations, inaccurate instructions and unnecessary and cumbersome requirements handicap the work. Provisions for enforcing compliance are woefully lacking.

Businesslike legislation with a clear understanding of the functions of the Commission will be of immeasurable value. The Commissioners earnestly desire to have all legislators understand the operations of this insurance organization. Then it will be recognized how imperative is the need for prompt legislative assistance through removal of hampering provisions and the inclusion of concise, businesslike rules. Any new legislation must, of course, be the result of the most careful analysis of the operations of the Commission. Those of us who work with the Act continuously are eager to assist the legislators in every way possible so that there will result a common-sense, sound and workable Act.

The Commission is greatly indebted to its employees who have cooperated so completely and cheerfully in the strenuous work of the past year. Certainly, without their efforts the task would have been more difficult. With the goal now in sight, they can be satisfied with a task well done, knowing that their efforts are sincerely appreciated.

SEMENZA & KOTTINGER
CERTIFIED PUBLIC ACCOUNTANTS
TITLE INSURANCE BUILDING
RENO, NEVADA

October 18, 1951.

HONORABLE CHARLES H. RUSSELL, HONORABLE WILLIAM T. MATHEWS,
HONORABLE MERVIN GALLAGHER, *Industrial Commission Board,*
State of Nevada, Carson City, Nevada.

DEAR SIR: We have examined the accounts and records of the Nevada Industrial Commission for the year ended June 30, 1951, and, in connection therewith, have prepared the following attached exhibits with supporting schedules:

Exhibit A—Consolidated Balance Sheet, June 30, 1951.

Exhibit B—Statement of Operations by Funds for the Year Ended June 30, 1951, and for the Period from Inception of Funds to June 30, 1951.

Exhibit C—Analysis of Surplus by Funds, June 30, 1951.

Exhibit D—Statement of Receipts and Disbursements by Funds for the Year Ended June 30, 1951, and for the Period from Inception of Funds to June 30, 1951.

Schedule 1—Cash on Hand and on Deposit and Bonds Pledged to Secure Deposits in Bank, June 30, 1951.

Schedule 2—Bonds Owned, State Insurance Fund, June 30, 1951.

Schedule 3—Bonds Owned, Accident Benefit Fund and Occupational Diseases Fund, June 30, 1951.

Schedule 4—Administrative Expense for the Year Ended June 30, 1951, and for the Period July 1, 1913, to June 30, 1951.

Schedule 5—Miscellaneous Income for the Year Ended June 30, 1951, and for the Period July 1, 1913, to June 30, 1951.

We have reviewed the accounting procedures and, without making a detailed audit of all transactions, have examined or tested accounting records and other supporting evidence in a manner and to the extent we considered appropriate.

The following comments are offered in connection with the attached statements:

EXHIBIT A—CONSOLIDATED BALANCE SHEET

Cash on Hand and on Deposit, \$891,553.72.

Cash on deposit was confirmed by direct correspondence with the depositories. Schedule 1 lists the amounts on deposit with the First National Bank of Nevada, Carson City Branch, and the State Treasurer's office at June 30, 1951. Bonds pledged to secure deposits in the First National Bank of Nevada are also listed in this schedule. The office Petty Cash Fund was counted July 2, 1951, and found to be in agreement with the records. Paid checks and other supporting data were test checked in support of disbursements from the funds, and all disbursements were found to be properly authorized by the Commissioners.

Earned Premiums Due, \$389,377.58.

Premiums earned and unpaid at June 30, 1951, totaled \$389,377.58,

of which \$23,874.61 represented amounts due from contributors on payroll reports received prior to that date, and \$365,502.97 represented estimated unreported premiums earned prior to June 30, 1951. The amount estimated as receivable was determined from a review of the payroll reports received between July 1, 1951, and July 31, 1951, and from a study of the remaining accounts which were in default or had payroll reports due June 30, 1951. Included in the amount due from contributors, for which payroll reports had been received, was \$19,249.09 due from the State of Nevada for premiums on State payrolls as follows:

General Fund—	
Unpaid balance, June 30, 1947.....	\$257.73
January 1, 1948, to December 31, 1948.....	9,705.88
January 1, 1949, to June 30, 1949.....	5,924.93
Adjutant General—	
April 1, 1949, to June 30, 1949.....	7.29
National Guard—	
January 1, 1948, to June 30, 1949.....	1,631.00
Distributive School Fund—	
January 1, 1948, to June 30, 1948.....	10.80
State Department of Health—	
July 1, 1947, to June 30, 1949.....	1,714.78
	\$19,252.41
Less: Overpaid—January 1, 1950, to	
April 30, 1950.....	3.32
	\$19,249.09
Amount due for periods through	
April 30, 1951.....	\$19,249.09

In addition to the foregoing, the State of Nevada has paid only \$860.70 of a total premium charge of \$4,985.50 due for the period April 1, 1951, to June 30, 1951, and the State Controller has advised the Commission that there are no funds available to pay the balance of \$4,124.80.

We were advised by the Chairman of the Commission that a deficiency bill in the amount of \$15,895.82, covering unpaid premiums to July 1, 1949, exclusive of the amount due from the State Department of Health, was introduced in the 1951 Legislature; however, it was never reported out of committee. In the course of our examination we discussed this matter with Mr. John R. Ross, attorney for the Commission, who advised us he would review the matter for the Commission.

Rent Receivable, \$65.

Rent receivable at June 30, 1951, represented the amount due from Dr. W. H. Cavell for rent for the months of May and June, 1951.

Accrued Interest, \$93,135.28.

Interest accrued at June 30, 1951, on bonds owned totaled \$93,135.28 and represented interest earned but receivable at a date subsequent to the close of the fiscal year. All interest collected during the year under review in the funds was properly accounted for.

Investments, \$11,193,045.32.

Bonds owned were counted by us at the Office of the State Treasurer on July 2, 1951. A list of the bonds owned, interest earned thereon to June 30, 1951, and the purchases and redemptions during the fiscal

year are set forth in Schedules 2 and 3 of this report. In addition to the redemptions reflected in these schedules, \$224,000 of United States Treasury Bonds, 2 $\frac{3}{4}$ %, 1951-54, were called at June 15, 1951. However, these bonds had not been sent in for redemption at the date of our bond count. United States Savings Bonds, Series G, in the amount of \$500,000 were purchased during the year under review.

Fixed Assets, \$59,383.10.

Fixed assets of the Commission are the property of the State Insurance Fund. New office equipment was acquired during the year under review at a cost of \$6,548.50. This included the furnishing of an office in Reno for the Safety Inspector at a cost of \$730.30. A 1950 DeSoto automobile was purchased at a cost of \$2,706.25 for the use of the Commissioners, and a 1951 Chrysler automobile was purchased at a cost of \$2,698.50 for the use of the Las Vegas Office. An allowance of \$606.25 was received on the trade-in of the 1941 Chrysler on the new DeSoto, and \$1,400 was received on the trade-in of the 1949 Mercury on the new Chrysler. A 1941 Buick was sold during the year for \$600. This automobile had been replaced in service in a prior year, but, because of the low trade-in value offered, had been held for direct sale. The depreciated value of the 1949 Mercury at date of trade-in was \$1,400; the two other automobiles were completely depreciated.

We examined invoices and other data in support of the additions to the fixed assets and determined that all items had been properly capitalized.

Depreciation has been provided on all fixed assets at rates consistent with those of prior years and based on the estimated useful life of the respective assets.

Other Assets, \$3,259.51.

Prepaid insurance at June 30, 1951, totaled \$2,296.66 and represented the portion of insurance premiums chargeable to future operations. Insurance policies in force at June 30, 1951, were presented for our inspection and provided the following coverage:

Building—fire.....	\$80,000	
Furniture and equipment—fire.....	20,000	
Automobiles—		
Fire, theft, comprehensive, and collision.....		Actual value
Medical.....		\$2,000
Public liability.....	100/200,000	
Property damage.....		5,000
Buildings—general liability.....	100/200,000	
Securities—burglary and robbery.....		1,000,000

In addition to the above coverage, steam boiler insurance is carried with the Hartford Steam Boiler and Inspection Co. This policy was not available for our examination, and we were advised that it is held by the State Controller.

Other prepaid expense in the amount of \$962.85 represented the rental of a Xerox copier, fuser, and camera for one year from date of installation and the cost of supplies furnished with the equipment. This equipment was billed for and received in June 1951; however, installation was not completed until July, and the entire costs have been reflected as a prepaid expense at June 30, 1951.

Current Liabilities, \$570,758.94.

Advance premiums held for the account of contributors amounted to \$564,702.69 at June 30, 1951. A trial balance of the advance premium ledger was taken and found to be in agreement with the general ledger control account. We did not confirm balances by direct correspondence with the contributors.

Accounts payable at June 30, 1951, totaled \$1,983.35 and represented the amount due for merchandise and services furnished the Commission prior to that date.

Income tax withheld from employees and payable to the U. S. Collector of Internal Revenue totaled \$3,099.55 at June 30, 1951.

The sum of \$973.35 due Public Employees' Retirement Fund at June 30, 1951, included \$487.68 deducted from employees and \$485.67 due as the Commission's contribution to that fund.

Reserves, \$6,011,137.29.

A reserve for pending claims at June 30, 1951, has been provided in the amount of \$2,226,568.44 for all funds and is based on an analysis of all open claims at that date. The liability, as set up on individual claims, was reviewed by us, and the reserve is considered adequate. The reserve for pending claims is considerably higher than it was at June 30, 1950; however, upon review of claims for the fiscal year ended June 30, 1950, and prior years, an addition of \$310,675.87 to the reserve was determined necessary to provide an adequate reserve to cover claims for years prior to July 1, 1950. The reserve for pending claims was reviewed with the Commissioners, and after consideration of increased medical costs and the basis on which awards are granted claimants, the Commissioners were of the opinion that the reserve is adequate.

The reserve for approved pensions totaled \$3,584,568.85 for all funds at June 30, 1951. Individual pensions were revalued at June 30, 1951, to reflect reserve requirements as set forth in the experience tables, based on life expectancy and remarriage of widows, which are used by the Commission. The additional reserve requirements created by the revaluation of existing pensions at June 30, 1951, were more than offset by the cancellations of pensions during the year under review. This is the third year that the reduction in reserve requirements created through deaths and remarriages of pensioners has exceeded the costs of revaluation of the pensions. A summary of cancellations and revaluation costs for the year follows:

Pensions cancelled due to:	
Death of pensioner.....	\$28,579.66
Remarriage.....	112,877.90
	<hr/>
	\$141,457.56
Pension revaluation costs.....	91,459.20
	<hr/>
Excess of present year's cancellations over revaluation costs.....	\$49,998.36

The excess of the current year's cancellations over revaluation costs has been retained in the pension reserve to provide for excessive revaluation costs in subsequent years.

In addition to the forementioned reserves, the amount of \$200,000 has been established to provide for losses in case of a catastrophe. This

reserve was established in prior years, and there has been no current development to indicate a need for increasing it.

Surplus, \$6,047,923.28.

A comparison of the surplus of each fund at June 30, 1951, with that at June 30, 1950, follows:

	June 30, 1951	June 30, 1950	Increase or decrease*
State Insurance Fund.....	\$4,375,096.34	\$4,909,574.01	*\$534,477.67
Accident Benefit Fund.....	1,611,166.40	2,226,106.85	*614,940.45
Occupational Diseases Fund.....	61,660.54	*11,956.75	73,617.29
	<u>\$6,047,923.28</u>	<u>\$7,123,724.11</u>	<u>*\$1,075,800.83</u>

An analysis of changes in surplus by funds is set forth in Exhibit C.

EXHIBIT B—STATEMENT OF OPERATIONS BY FUNDS

The results of operations of each fund for the year ended June 30, 1951, and for the period from the inception of each fund to June 30, 1951, are presented in Exhibit B.

A comparison of the operations of the individual funds for the current fiscal year with those of the prior fiscal year, adjusted for premiums and expenses which were not reflected in the June 30, 1950, statement, follows:

	Year ended June 30, 1951	Year ended June 30, 1950	Increase or decrease*
<i>State Insurance Fund—</i>			
Earned premiums	\$1,456,386.84	\$1,177,400.60	\$278,986.24
Benefits expense	1,480,054.29	1,214,958.39	265,095.90
Excess of benefits expense over earned premiums	\$23,667.45	\$37,557.79	*\$13,890.34
Administrative expense	115,764.57	99,104.84	16,659.73
Net loss before interest and miscellaneous income	\$139,432.02	\$136,662.63	\$2,769.39
Interest earned and miscel- laneous income—net	232,458.48	296,764.50	*64,306.02
Net income	\$93,026.46	\$160,101.87	*\$67,075.41
<i>Accident Benefit Fund—</i>			
Earned premiums	\$648,601.60	\$520,555.77	\$128,045.83
Benefits expense	1,161,601.14	734,478.13	427,123.01
Excess of benefits expense over earned premiums	\$512,999.54	\$213,922.36	\$299,077.18
Administrative expense	51,548.47	43,825.71	7,722.76
Net loss before interest and miscellaneous income	\$564,548.01	\$257,748.07	\$306,799.94
Interest and miscellaneous income—net	51,804.12	141,779.37	*89,975.25
Net loss	\$512,743.89	\$115,968.70	\$396,775.19

*Loss.

EXHIBIT B—Continued

<i>Occupational Diseases Fund</i> —	Year ended June 30, 1951	Year ended June 30, 1950	Increase or decrease*
Earned premiums	\$149,231.10	\$118,639.70	\$30,591.40
Benefits expense	90,798.15	137,873.78	*47,075.63
Excess of earned premiums over benefits expense	\$58,432.95	*\$19,234.08	\$77,667.03
Administrative expense	11,861.35	9,985.41	1,875.94
Net income before interest and miscellaneous income	\$46,571.60	*\$29,219.49	\$75,791.09
Interest earned and miscel- laneous income—net	3,770.47	3,718.43	52.04
Net income	\$50,342.07	*\$25,501.06	\$75,843.13

*Loss.

Operations of the State Insurance Fund for the year ended June 30, 1951, resulted in a net credit to surplus of \$93,026.46, a decrease of \$67,075.41 from that of the previous year. The comparative statement reflects an increase in earned premiums of \$278,986.24 over those of the previous year and an increase of \$265,095.90 in benefits expense for the same period. The net income for the current year would have been \$9,938.55 greater than that of the prior year were it not for the gain of \$77,013.96 made on sale of bonds in the previous period.

Operations of the Accident Benefit Fund for the year under review resulted in a net charge to surplus of \$512,743.89, an increase in loss of \$396,775.19 over that of the previous year. Premiums earned increased \$128,045.83; however, the benefits expense increase of \$427,123.01 far exceeded the increase in earned premiums. Administrative expense increased \$7,722.76, while interest and miscellaneous income decreased \$89,975.25. Miscellaneous income for the preceding year included an abnormal gain of \$90,505.20 on sale of bonds, which accounts for the major amount of this difference.

The operations of the Occupational Diseases Fund for the year ended June 30, 1951, resulted in a credit to surplus of \$50,342.07. Earned premiums for the current year increased \$30,591.40 over that of the prior year, while benefits expense for the corresponding period decreased \$47,075.63. The decrease in benefit costs reflects, primarily, the reduction in silicosis claims accepted by the Commission during the current year.

The operations of the three funds for the current year resulted in a net charge to surplus of \$369,375.36, allocated to the funds as follows:

Charges to surplus—		
Accident Benefit Fund		\$512,743.89
Less: Credits to surplus—		
State Insurance Fund	\$93,026.46	
Occupational Diseases Fund	50,342.07	143,368.53
		<u>\$369,375.36</u>

The schedule of premium rates in effect to March 31, 1951, provided for the following allocation of the total premium earned:

State Insurance Fund	Percent
Accident Benefit Fund	62.50
Occupational Diseases Fund	31.25
	<u>6.25</u>
	100.00

The new schedule of premium rates placed in effect April 1, 1951, provided for no different allocation of premium between funds. The apportionment of the earned premiums subsequent to July 1, 1951, was discussed with the Commissioners, and by resolution of the Commission the following allocation of premium was to be placed in effect from July 1, 1951, until further action is taken by the Commissioners:

	Percent
State Insurance Fund.....	53.00
Accident Benefit Fund.....	40.00
Occupational Diseases Fund.....	7.00
	100.00

This allocation was based on a study of the benefits expense of the various funds for the prior three years. In approving the amount allocated to the Occupational Diseases Fund, consideration was given to the fact that this fund was relatively new and without any appreciable reserve. Based on present experience, the revised allocation of premiums was adopted for the purpose of favoring, to a small degree, the Occupational Diseases Fund.

Administrative expenses and miscellaneous income for the fiscal year and for the period from July 1, 1913, to June 30, 1951, are presented in Schedules 4 and 5, respectively, with the basis of allocation to the funds set forth therein.

Interest earned on bonds owned by the various funds is included in Schedules 2 and 3.

EXHIBIT C—ANALYSIS OF SURPLUS

Exhibit C presents an analysis of surplus accounts of the three funds for the fiscal year under review. All items of income and expense not directly attributable to the current year's operations have been reflected as surplus adjustments in this statement. The 1951 Legislature amended the Industrial Insurance Act by increasing the widow's death benefit from 40 percent to 50 percent of the average earnings of the deceased workman but not to exceed \$75 per month. This amendment applied to all pensions in effect July 1, 1951. The additional reserve requirements of \$425,217.64 created by this amendment are reflected in the attached statements by charging pensions awarded on current year's claims with \$29,092 and surplus with \$396,125.64. A review of the liability for estimated pending claims for periods prior to June 30, 1950, indicated that this liability should be increased \$310,675.87 at June 30, 1950. This underestimate of prior years' claims has been charged to surplus.

The operations of the various funds from their inception to June 30, 1951, are presented in Exhibit B, with the adjustments referred to above reflected in their proper classifications.

EXHIBIT D

STATEMENT OF RECEIPTS AND DISBURSEMENTS BY FUNDS

A statement of receipts and disbursements by funds for the year under review and for the period from the inception of each fund to June 30, 1951, is presented in Exhibit D. The excess of receipts over disbursements is accounted for by cash and bonds owned. Bonds owned are reflected at cost, less amortization of bond premium and discount.

The excess of cash receipts over disbursements for the year ended June 30, 1951, amounted to \$414,907.57, distributed as follows:

State Insurance Fund.....	\$588,386.07
Occupational Diseases Fund.....	57,645.53
	\$646,031.60
Less: Excess of disbursements over receipts in	
Accident Benefit Fund.....	231,124.03
	\$414,907.57

The combined funds reflect an excess of receipts over disbursements, but this does not present the true condition of the funds' operations, as the liability for the payment of pensions and approved claims is chargeable to the period in which the accident occurs rather than to the period in which the payment is made.

GENERAL COMMENTS

Our examination did not include a review of contributors' experience records. These records could not be completed until the liability for pending claims had been reviewed and the estimates of earned premiums due had been determined. Upon completion of the statistical records of contributors' experience, we shall review them and submit a separate report thereon.

The attached statements reflect the continued increasing cost of compensation and medical benefits. We reviewed a substantial number of approved claims for the purpose of establishing the cause of these increased costs. It is our observation that greater attention should be devoted to the consideration and approval of claims by the Commission with the view of holding awards to a minimum.

We also noted that compensation costs have increased in relatively the same proportion as the premiums collected from contributors. The great increase in costs has occurred in the medical benefit expense. We have been advised that an increase in the medical fee schedule became effective January 1, 1951; however, from our review we were not able to determine that this was the entire reason for the increase.

A closer examination of doctors' claims should be placed in effect. We note the medical fee schedule provides that: "fees covering daily visits to injured workmen will not be allowed unless some service, or treatment, is furnished by the physician, and such service or treatment is necessary." Numerous claims reviewed indicate daily visits by doctors to patients, especially in cases where the patient has been hospitalized. We suggest that investigations be made of the claims before approval and payment to avoid excessive or unnecessary charges.

We also noted that fund settlement and award releases given by claimants in case of partial permanent disability are not recognized as final settlements. In numerous cases claims were reopened after the claimant had signed the final release and accepted his settlement.

These are a few of the factors that may have lead to the large increase in benefit expense and which we believe might warrant additional study by the Commission with a view of eliminating excessive or unnecessary charges.

We believe it would be advisable to increase the field staff of auditors. The current practice of auditing the payrolls in the office without

reference to the contributors' records is not adequate, as it provides only a verification of the mathematical accuracy of the reports submitted. Payroll audits performed in the field would eliminate a great amount of the office audit work; it might also produce a substantial increase in premiums collected, and would provide contact men to explain the workings of the insurance act to the contributors. This would eliminate much of the confusion and poor public relationship that currently exists between the Commission and the contributors.

In our opinion the attached Consolidated Balance Sheet and related Statements of Operations and Surplus fairly present the financial condition of the Nevada Industrial Commission at June 30, 1951, and the results of operations for the fiscal year then ended and for the period from the inception of the funds to June 30, 1951, in accordance with generally accepted principles of accounting consistently maintained during the year.

Yours very truly,

SEMENZA & KOTTINGER.

NEVADA INDUSTRIAL COMMISSION—CONSOLIDATED BALANCE SHEET JUNE 30, 1951

ASSETS	EXHIBIT A			TOTAL ALL FUNDS
	STATE INSURANCE FUND	ACCIDENT BENEFIT FUND	OCCUPATIONAL DISEASES FUND	
Current Assets—				
Cash on hand and on deposit (Schedule 1)	\$631,607.54	\$128,005.05	\$131,941.13	\$891,553.72
Earned premiums due	246,573.72	114,654.07	28,249.79	389,377.58
Rent receivable	65.00			65.00
Accrued interest	73,845.69	18,358.34	931.25	93,135.28
Investments—	\$952,091.95	\$260,917.46	\$161,122.17	\$1,374,131.58
Bonds owned (Schedules 2 and 3)	8,989,041.78	2,068,004.33	135,999.21	11,193,045.32
Fixed Assets—				
Land	\$2,259.45			\$2,259.45
Buildings and improvements	40,791.81			40,791.81
Furniture and equipment	49,372.34			49,372.34
Automobiles	11,844.38			11,844.38
Less: Reserve for depreciation	\$104,456.28			\$104,456.28
	45,073.18			45,073.18
Other Assets—	\$2,296.66			\$2,296.66
Prepaid insurance	962.35			962.35
Other prepaid expense				
	\$10,003,776.34	\$2,328,921.79	\$297,121.38	\$12,629,819.51
LIABILITIES				
Current Liabilities—				
Advance premium deposits	\$564,702.69			\$564,702.69
Accounts payable	1,983.35			1,983.35
Income tax withheld	3,099.55			3,099.55
Due Public Employees' Retirement Fund	973.35			973.35
Reserves—				
Pending claims	\$1,465,057.51	\$717,755.39		\$2,236,568.44
Approved pensions	3,392,863.55			3,392,863.55
Catastrophe reserve	200,000.00			200,000.00
Surplus—	5,057,921.06	\$717,755.39		6,011,137.29
(Exhibits B and C)	4,375,096.34	1,611,166.40	61,660.54	6,047,923.28
	\$10,003,776.34	\$2,328,921.79	\$297,121.38	\$12,629,819.51

EXHIBIT B
NEVADA INDUSTRIAL COMMISSION—STATEMENT OF OPERATIONS BY FUNDS
FOR THE YEAR ENDED JUNE 30, 1951, AND FOR THE PERIOD FROM
INCEPTION OF FUNDS TO JUNE 30, 1951

	FOR THE YEAR ENDED JUNE 30, 1951			FOR THE PERIOD FROM INCEPTION OF FUNDS TO JUNE 30, 1951		
	State Insurance Fund	Accident Benefit Fund	Occupational Diseases Fund	State Insurance Fund	Accident Benefit Fund	Occupational Diseases Fund
Earned Premiums—						
Reported	\$1,226,545.73	\$542,413.81	\$122,654.57	\$24,173,005.90	\$9,310,278.77	\$480,169.55
Estimated additional due	229,841.11	106,187.79	26,576.53	241,366.10	112,331.85	27,347.45
Less: Premiums paid for reinsurance	\$1,456,386.34	\$648,601.60	\$149,231.10	\$24,419,372.00	\$9,422,610.62	\$507,517.00
	\$1,456,386.34	\$648,601.60	\$149,231.10	172,472.05		172,472.05
Benefits Expense—						
Benefits paid	\$366,588.59	\$558,791.30	\$21,429.93	\$12,373,232.69	\$7,157,756.00	\$115,831.35
Estimated pending claims	941,545.20	602,809.84	24,158.17	1,465,057.51	717,755.39	43,755.54
Pensions awarded	171,920.50		45,210.00	7,136,981.91		258,631.95
Administrative Expense—						
(Schedule 4)	\$23,667.45	\$512,999.54	\$58,432.95	\$3,271,577.84	\$1,547,099.23	\$89,298.16
	115,764.57	51,548.47	11,861.35	1,667,438.88	421,173.38	37,170.21
Other Income—						
Interest earned—net	\$230,535.52	\$50,347.86	\$3,573.44	\$2,837,379.40	\$382,423.12	\$8,807.47
Miscellaneous income (Schedule 5)	1,922.36	\$56.26	1,977.03	133,577.98	102,817.43	725.12
Catastrophe Reserve	\$232,453.48	\$51,804.12	\$3,770.47	\$2,970,957.38	\$485,240.55	\$9,532.59
Excess of income over expense for period	\$33,026.46	\$512,743.89	\$50,342.07	\$4,575,096.34	\$1,611,166.40	\$61,660.54
	\$33,026.46	\$512,743.89	\$50,342.07	\$4,375,096.34	\$1,611,166.40	\$61,660.54

EXHIBIT C
NEVADA INDUSTRIAL COMMISSION—ANALYSIS OF SURPLUS
BY FUNDS, JUNE 30, 1951

	State Insurance Fund	Accident Benefit Fund	Occupational Diseases Fund	Total all funds
Balance, July 1, 1950	\$4,909,574.01	\$2,226,106.85	*\$11,956.75	\$7,123,724.11
Add—				
Earned premiums for prior years in excess of estimate at June 30, 1950	219.21	134.46	22.37	376.04
	<u>\$4,909,793.22</u>	<u>\$2,226,241.31</u>	<u>*\$11,934.38</u>	<u>\$7,124,100.15</u>
Deduct—				
Additional pension reserve requirements created by amendments to Industrial Insurance Act by the 1951 Legislature	\$392,315.64	-----	\$3,810.00	\$396,125.64
Adjustment of estimated liability for pending claims for years prior to June 30, 1950	235,407.70	102,331.02	*27,062.85	310,675.37
Excess of expense over earnings for the fiscal year ended June 30, 1951 (Exhibit B)	*93,026.46	512,743.89	*50,342.07	369,375.36
	<u>\$534,696.88</u>	<u>\$615,074.91</u>	<u>*\$73,594.92</u>	<u>\$1,076,176.87</u>
Balance, June 30, 1951	<u>\$4,375,096.34</u>	<u>\$1,611,166.40</u>	<u>\$61,660.54</u>	<u>\$6,047,923.28</u>

*Loss.

EXHIBIT D

NEVADA INDUSTRIAL COMMISSION—STATEMENT OF RECEIPTS AND DISBURSEMENTS BY FUNDS FOR THE YEAR ENDED JUNE 30, 1951, AND FOR THE PERIOD FROM INCEPTION OF THE FUNDS TO JUNE 30, 1951

	FOR THE YEAR ENDED JUNE 30, 1951				FOR THE PERIOD FROM INCEPTION OF FUNDS TO JUNE 30, 1951			
	State Insurance Fund	Accident Benefit Fund	Occupational Diseases Fund	Total all funds	State Insurance Fund	Accident Benefit Fund	Occupational Diseases Fund	Total all funds
Receipts—								
Premiums reported—net	\$1,399,158.15	\$615,413.88	\$138,130.35	\$2,152,702.38	\$24,015,247.86	\$9,315,517.37	\$480,759.37	\$33,811,524.60
Less: Uncollected accounts	357.20	428.60	85.72	1,871.52	14,921.68	7,460.82	1,492.16	23,874.61
Net earned and collected	\$1,398,800.95	\$614,985.28	\$138,044.63	\$2,151,830.86	\$24,000,326.23	\$9,308,056.55	\$479,267.21	\$33,787,649.99
Advance premium deposits	109,172.38			109,172.38	564,702.69			564,702.69
Interest (less interest purchased and net charge for amortization of bond premium and discount)	\$1,507,473.83	\$614,985.28	\$138,044.63	\$2,260,503.74	\$24,565,028.92	\$9,308,056.55	\$479,267.21	\$34,352,552.68
Rents received	\$230,176.37	\$50,591.19	\$3,573.44	\$284,341.00	\$2,763,533.71	\$964,064.78	\$7,876.22	\$3,135,474.71
Miscellaneous receipts	1,078.60	509.22	117.38	1,705.20	51,599.52	11,759.35	597.28	63,956.25
	779.36	347.04	79.55	1,206.25	31,933.46	9,1058.08	127.74	178,099.28
	\$1,739,508.16	\$666,372.73	\$141,815.10	\$2,547,695.99	\$27,462,075.61	\$9,774,938.76	\$487,868.55	\$37,724,882.92
Disbursements—								
Benefits paid	\$1,026,412.66	\$345,948.29	\$72,308.22	\$1,444,669.17	\$16,117,401.05	\$7,157,756.00	\$132,758.00	\$23,457,915.05
Administrative expense	110,963.75	51,548.47	11,861.35	174,373.57	1,595,993.68	421,173.38	37,170.21	2,052,337.27
Furniture and equipment	9,740.93			9,740.93	60,615.27			60,615.27
Office building					14,049.36			14,049.36
Office building improvements					30,267.50			30,267.50
Automobiles	4,004.75			4,004.75	25,099.43			25,099.43
	\$1,151,122.09	\$897,496.76	\$84,169.57	\$2,132,788.42	\$17,841,426.29	\$7,578,929.38	\$219,928.21	\$25,640,283.88
Excess of cash receipts over disbursements	\$588,386.07	\$231,124.03	\$57,645.53	\$876,155.63	\$9,620,649.32	\$2,196,009.38	\$267,940.34	\$12,084,599.04
Balance in funds, July 1, 1950	9,032,263.25	2,427,133.41	210,994.31	11,669,691.47				
Balance in funds, June 30, 1951	\$9,620,649.32	\$2,196,009.38	\$267,940.34	\$12,084,599.04	\$9,620,649.32	\$2,196,009.38	\$267,940.34	\$12,084,599.04
Accounted for as Follows—								
Cash (Schedule 1)	\$631,607.54	\$128,005.05	\$131,941.13	\$891,553.72	\$631,607.54	\$128,005.05	\$131,941.13	\$891,553.72
Bonds owned, stated at cost less amortization of bond premiums and discount (Schedules 2 and 3)	8,989,041.78	2,068,004.33	135,999.21	11,193,045.32	8,989,041.78	2,068,004.33	135,999.21	11,193,045.32
	\$9,620,649.32	\$2,196,009.38	\$267,940.34	\$12,084,599.04	\$9,620,649.32	\$2,196,009.38	\$267,940.34	\$12,084,599.04

*Loss.

SCHEDULE NO. 1
NEVADA INDUSTRIAL COMMISSION — CASH ON HAND AND ON
DEPOSIT AND BONDS PLEDGED TO SECURE DEPOSITS IN BANK,
JUNE 30, 1951.

Cash on Hand and on Deposit—	
State Treasurer of Nevada.....	\$616,077.84
First National Bank of Nevada, Carson City Branch—	
General account	270,375.88
Revolving Fund	5,000.00
Office Petty Cash Fund.....	100.00
	<u>\$891,553.72</u>
Allocated to Funds as Follows—	
State Insurance Fund (Exhibits A and D).....	\$631,607.54
Accident Benefit Fund (Exhibits A and D).....	128,005.05
Occupational Diseases Fund (Exhibits A and D).....	131,941.13
	<u>\$891,553.72</u>
Bonds Pledged to Secure Deposits in Bank—	
First National Bank of Nevada, Reno, Nevada (to secure deposit in Carson City Branch) City of Reno, Special 1930 Sewer Bonds—due 1951-1955, 5%	\$24,000.00
Sparks School District No. 29—due September 15, 1960, 3%	13,000.00
United States Treasury Bonds, Series 1960-1965, 2 1/2%	30,000.00
United States Treasury Bonds, Series 1952-1954, 2%	200,000.00
	<u>\$267,000.00</u>

SCHEDULE NO. 4
NEVADA INDUSTRIAL COMMISSION—ADMINISTRATIVE EXPENSE FOR
THE YEAR ENDED JUNE 30, 1951, AND FOR THE PERIOD JULY 1,
1913, TO JUNE 30, 1951.

	July 1, 1913, to June 30, 1950	Year ended June 30, 1951	July 1, 1913, to June 30, 1951
Organization expense	\$2,082.77		\$2,082.77
Rent expense	6,112.80	\$2,020.00	8,132.80
Legal expense	33,075.64	2,616.84	35,692.48
Claim investigation	20,226.15	1,647.33	21,873.48
Transportation—			
Commissioners	17,660.50	30.90	17,691.40
Traveling auditors	24,094.17	138.14	24,232.31
Hotel account—			
Commissioners	31,997.15	1,306.30	33,303.45
Traveling auditors	44,887.99	2,167.80	47,055.79
Incidental expense—			
Commissioners	1,269.76	59.35	1,329.11
Traveling auditors	2,270.45	66.70	2,337.15
Salaries—			
Commissioners	202,714.17	9,963.55	212,677.72
Traveling auditors	149,230.83	15,510.00	164,740.83
Physicians	86,970.85	2,700.00	89,670.85
Office	837,860.00	78,868.83	916,728.83
Special services	3,050.00	1,736.36	4,786.36
Janitor (Note)	2,689.33	2,906.65	5,595.98
Printing and stationery	40,851.98	8,604.47	49,456.45
Postage	49,690.55	4,599.32	54,289.87
Office supplies and expense	76,157.33	7,372.55	83,529.88
General expense	92,996.11	11,850.40	104,846.51
Depreciation—			
Furniture and equipment	33,068.62	3,866.43	36,935.05
Automobiles	13,954.86	2,894.86	16,849.72
Office building	14,681.66	2,232.03	16,863.69
Building maintenance expense	95,577.81	3,491.27	99,069.08
Contribution to Employees' Retirement Fund	8,319.66	5,805.22	14,124.88
Industrial insurance premiums on employees	606.51	682.50	1,289.01
Bad debts	1,245.52	557.43	1,802.95
Automobile expense	53,314.91	5,479.16	58,794.07
	<u>\$1,946,608.08</u>	<u>\$179,174.39</u>	<u>\$2,125,782.47</u>
Allocated as Follows—			
State Insurance Fund	\$1,551,674.31	\$115,764.57	\$1,667,438.88
Accident Benefit Fund	369,624.91	51,543.47	421,178.38
Occupational Diseases Fund	25,308.86	11,861.35	37,170.21
	<u>\$1,946,608.08</u>	<u>\$179,174.39</u>	<u>\$2,125,782.47</u>

NOTES—The total administrative expense for the fiscal year has been allocated to each fund in proportion to the premiums earned for the fiscal year ended June 30, 1951.

Janitor's salary prior to July 1, 1949, was charged to building maintenance expense.

SCHEDULE NO. 5
NEVADA INDUSTRIAL COMMISSION—MISCELLANEOUS INCOME FOR
THE YEAR ENDED JUNE 30, 1951, AND FOR THE PERIOD JULY 1,
1913, TO JUNE 30, 1951.

	July 1, 1913, to June 30, 1950	Year ended June 30, 1951	July 1, 1913, to June 30, 1951
Rental income	\$62,251.25	\$1,770.00	\$64,021.25
Gain on sale of assets	732.52	1,206.25	1,938.77
Miscellaneous	2,985.50	-----	2,985.50
Gain on sale of bonds	168,175.01	-----	168,175.01
	<u>\$234,144.28</u>	<u>\$2,976.25</u>	<u>\$237,120.52</u>
Allocated as Follows—			
State Insurance Fund	\$131,655.02	\$1,922.96	\$133,577.98
Accident Benefit Fund	101,961.17	856.26	102,817.43
Occupational Diseases Fund	528.09	197.03	725.12
	<u>\$234,144.28</u>	<u>\$2,976.25</u>	<u>\$237,120.53</u>

Note—Rental income and gain on sale of assets for the fiscal year have been allocated to each fund in proportion to the profits earned for the fiscal year ended June 30, 1951.

KAFOURY AND ARMSTRONG
PUBLIC ACCOUNTANTS
MASONIC TEMPLE BUILDING
RENO, NEVADA

December 4, 1952.

HONORABLE CHARLES H. RUSSELL, HONORABLE WILLIAM T. MATHEWS,
HONORABLE MERVIN GALLAGHER, *Industrial Commission Board,*
State of Nevada, Carson City, Nevada.

GENTLEMEN: Pursuant to your instructions at a meeting with you on September 12, 1952, we have audited the accounts of the Nevada Industrial Commission for the fiscal year ended June 30, 1952. At this meeting, the scope of our audit was determined to cover the examination of the financial transactions of the Commission only. All matters relating to the actuarial survey, office and accounting procedures were heretofore assigned to Woodward and Fondiller, Inc., consulting actuaries, and therefore excluded from our assignment.

While it is our endeavor to adhere strictly to the subject matter of our audit, we fully appreciate that our comments may, on occasion, appear to intrude upon the subjects assigned to the actuaries. We are hopeful, however, that this will not be misconstrued under circumstances involving assignments so closely related.

We have made tests and analyses to an extent which, in our opinion, was adequate to assure us of the accuracy of the records without making a detailed audit of all transactions.

The following exhibits and related schedules have been prepared and are submitted as a part of this report:

Exhibit A—Consolidated Balance Sheet, June 30, 1952.

Exhibit B—Statement of Operations by Funds, for the Year Ended June 30, 1952.

Exhibit C—Analysis of Surplus by Funds, June 30, 1952.

Exhibit D—Statement of Receipts and Disbursements by Funds, for the Year Ended June 30, 1952.

Schedule No. 1—Cash on Hand and on Deposit, June 30, 1952.

Schedule No. 2—Bonds Owned, State Insurance Fund, June 30, 1952.

Schedule No. 3—Bonds Owned, Accident Benefit and Occupational Diseases Funds, June 30, 1952.

Schedule No. 4—Administrative Expenses, for the Year Ended June 30, 1952.

Schedule No. 5—Miscellaneous Income, for the Year Ended June 30, 1952.

EXHIBIT A—CONSOLIDATED BALANCE SHEET

Cash on Hand and on Deposit, \$1,115,409.79.

The composition of this asset is set forth in detail in Schedule No. 1. We have verified the cash on deposit with the State Treasurer and the First National Bank of Nevada, Carson City Branch, by correspondence direct with these depositories. The amount on deposit in the First National Bank of Nevada is secured by bonds pledged for that purpose. The Office Petty Cash Fund was verified by actual count on October 23, 1952 and is in agreement with the Commission's records.

All disbursements were approved by the Commissioners. An extensive test examination of checks issued and data supporting disbursements, was made.

Earned Premiums Due, \$511,396.65.

At June 30, 1952 unpaid earned premiums in the sum of \$511,396.65 comprised \$70,784.37 of premiums due on payroll reports submitted prior to that date and \$440,612.28 in estimated unreported premiums. The amount estimated was determined from a review of payroll reports submitted subsequent to June 30, 1952 and from an examination of those accounts for which no reports had been filed.

There are included in the earned premiums due, certain accounts which deserve particular comment. The sum of \$31,559.12 is receivable from Foley Brothers, Inc., Ruth, Nevada. This amount represents the difference between the premiums earned from June 20, 1951 to June 30, 1952 and the payments received including the advance premium deposited. This contributor was advised of its qualification under date of July 11, 1951 and that its rate was \$11 per hundred dollars of payroll.

Notwithstanding that, it filed monthly reports classifying its employees and applying rates which were contrary to that determined applicable. The payments made, therefore, were considerably less than the correct premiums earned. There appears to be no record between June 20, 1951 and June 30, 1952 demanding a correction of reporting and of payments. However, subsequent to that date, the Chairman of the Commission has presented to this contributor a full statement of the facts of this case and requested that subsequent reports be made on the basis of the \$11 rate.

The account with the State of Nevada discloses the following earned and unpaid premiums:

General Fund—	
Unpaid balance, June 30, 1947.....	\$257.73
January 1, 1948, to December 31, 1948.....	9,705.88
January 1, 1949, to June 30, 1949.....	5,924.93
April 1, 1951, to June 30, 1951.....	4,124.80
Total, General Fund.....	\$20,013.34
National Guard—	
January 1, 1948, to June 30, 1949.....	1,631.00
Adjutant General—	
April 1, 1949, to June 30, 1949.....	7.29
Distributive School Fund—	
January 1, 1948, to June 30, 1948.....	10.80
State Department of Health—	
July 1, 1947, to June 30, 1949 (Net).....	1,711.46
Total.....	\$23,373.89

An attempt was made during the 1951 Session of the Legislature to obtain passage of a deficiency appropriation to pay the amount due from the General Fund. This effort failed. We have interviewed the heads of the Department of Health and the National Guard as well as the State Controller in an attempt to develop some means of recovering these premiums. There appears to be no dispute as to the indebtedness, but the mechanics of securing the funds present a formidable obstacle. The results of our findings are that the State Controller will attempt to obtain the approval of the State Board of Examiners of the General Fund indebtedness, thus lending weight to a deficiency appropriation; the amounts due from the Department of Health and National Guard may be classed as doubtful although General May has

indicated he will explore the possibility of obtaining Federal funds to reimburse the Commission for losses incurred on claims filed by members of the National Guard.

There are two State departments which are now in arrears for premiums earned during the year under review: the State Highway Patrol for \$843.87 and the State Mental Hospital \$7,656.25. This is due to the fact that the appropriations made were based on rates in effect prior to the increase in April 1951.

We are forced to the conclusion that prompt action in the Foley Brothers case would have avoided controversy; that concerted action several years ago would have brought about a settlement of the accounts of the various State departments. It is important therefore, that current procedures include a prompt follow-up of accounts in default.

Account Receivable, \$1,239.65.

This amount is due on a cashier's check issued by the Bank of Nevada, head office, on April 26, 1952, which check was lost in the Commission's offices. It was made payable to Fred Waddell and Nevada Industrial Commission and endorsed by Mr. Waddell. Negotiations are now under way to secure its payment either by posting bond or other means satisfactory to the bank.

Accrued Interest, \$93,125.99.

All interest collected during the year was accounted for. The interest earned to June 30, 1952 and collectible subsequent to that date amounted to \$93,125.99.

By resolution of the Commission dated October 20, 1952, interest for the period July 1, 1951, to January 1, 1952, was waived on \$3,000 par value of bonds of Clark County Educational District No. 1, 3 $\frac{1}{4}$ percent, due July 1, 1951 but not redeemed until January 4, 1952. At our suggestion the Commission adopted a resolution on the same date establishing its policy for the future with respect to interest on defaulted bonds for the guidance of the State Treasurer. Hereafter in such cases, interest will be collectible for the period of default.

Investments, \$11,955,251.73.

A detailed statement of the bonds owned is presented in Schedules Nos. 2 and 3. These investments are carried at cost, adjusted by the annual amortization of premiums and discounts. They are kept in the State Treasurer's office. All bonds were accounted for by actual count on October 16, 1952.

Fixed Assets, \$3.

In conformity with accepted practice for institutions of this nature, we have written down the assets of each classification to \$1. This was recommended by Woodward and Fondiller, Inc., consulting actuaries, concurred in by us and authorized by resolution of the Commission dated November 10, 1952.

The carrying values of these assets charged off were as follows:

Land	\$2,259.45
Building and Improvements	25,192.72
Automobiles	7,616.11
Furniture and Fixtures	25,876.78
Total	\$60,945.06

A detailed record is being maintained of the physical assets which is balanced to an actual inventory annually.

All insurance policies were examined and the coverage appears to be adequate. We have not considered deferring the prepaid premiums as an asset for the same reason stated as to fixed assets.

Current Liabilities, \$746,365.43.

At June 30, 1952, premiums advanced by contributors amounted to \$731,065.64. These have been examined in detail and are in agreement with the general ledger control account. They were not confirmed by correspondence with the contributors.

Current accounts payable in the sum of \$8,173.73 represented the cost of supplies, travel and other operating expenses incurred to June 30, 1952.

Federal withholding taxes payable to the Collector of Internal Revenue at the close of the year amounted to \$5,905.10 and the combined contribution to the Public Employees' Retirement Fund was \$1,220.96.

Reserves, \$6,427,863.

Pursuant to the resolution of the Commission, dated November 10, 1952 and to the certificate given us by Woodward and Fondiller, Inc., consulting actuaries, we have set up the following reserves:

For Pending Claims.....	\$841,139.00
For Incurred but Unreported Claims.....	279,629.00
For Reopened Claims.....	101,199.00
For Approved Pensions.....	3,155,896.00
For Catastrophes.....	500,000.00
For Fluctuation in Value of Investments.....	550,000.00
For Stabilization of Rates.....	1,000,000.00
Total	\$6,427,863.00

We submit the following certificate issued to us by Woodward and Fondiller, Inc., under date of October 29, 1952, in support of the first four reserves, the remaining reserves being established by authority of the Commission's resolution adopting the recommendations of *Part 1 of the Actuarial Survey of the Nevada Industrial Commission:*

CERTIFICATE

We hereby certify that we examined and evaluated the individual claim files for accidents which occurred prior to July 1, 1951 and which were pending as of June 30, 1952. We also examined all files on approved pension cases which were open as of June 30, 1952. As regards accidents which occurred during the fiscal year ended June 30, 1952, we did not examine the individual claim folders (excepting death and permanent disability claims) to determine the reserve, instead we used average values and actuarial formulae to evaluate these claims.

We further certify that, in accordance with our examination of the underlying records and our tests and calculations, the following liabilities as of June 30, 1952, have been correctly computed and, in our opinion, these amounts are in each instance adequate and sufficient.

Reserve as of June 30, 1952

Fund	OUTSTANDING CLAIM LIABILITIES		Incurred but unreported claims (3)	Reopened claims (4)	Totals (5)
	Pending claims (1)	Approved pensions (2)			
State Insurance	\$486,858	\$2,966,037	\$153,010	\$68,254	\$3,674,159
Accident Benefit	265,834		106,639	28,152	400,625
Occupational Diseases	88,447	189,859	19,980	4,793	303,079
Totals	\$841,139	\$3,155,896	\$279,629	\$101,199	\$4,377,863

In accord with the terms of our engagement, we do not assume responsibility for the adequacy of these reserves.

Surplus, \$6,502,198.38.

Exhibit C sets forth the analysis of the changes in surplus for the several funds for the year. A comparison of the surplus at the close of the current year with that of June 30, 1951, follows:

	June 30, 1952	June 30, 1951	Increase or decrease*
State Insurance Fund	\$4,830,254.58	\$4,375,096.34	\$455,158.24
Accident Benefit Fund	1,612,557.31	1,611,166.40	1,390.91
Occupational Diseases Fund	59,386.49	61,660.54	*2,274.05
Totals	\$6,502,198.38	\$6,047,923.28	\$454,275.10

With a surplus of \$6,502,198.38 at the close of the current fiscal year and allowing therefrom an "adequate amount of surplus" for operations of a sum equivalent to one year's premiums or approximately \$3,150,000, the redundancy in the surplus would be \$3,352,198.38. This statement is predicated upon the principle stated in *Part I of the Actuarial Survey of the Nevada Industrial Commission*, page 21. From this figure of \$3,352,198.38 we would deduct what was considered the redundancy in surplus at June 30, 1951, or \$1,697,923, leaving \$1,654,275.38 as the sum apparently accumulated during the current period. Normally, the redundancy would represent an amount approximating the current net revenues. In this instance the redundancy is approximately \$700,000 in excess of net revenues. This is due to surplus adjustments relating to prior years and particularly concerning excessive reserves for pending claims and pensions.

However, any refunds or adjustments predicated upon this year's results would necessarily be weighed in the light of experience during the ensuing year. The adequacy of the proposed new rates and experience will have an important bearing upon the course to be adopted.

EXHIBIT B—STATEMENT OF OPERATIONS BY FUNDS

The operations of the year ended June 30, 1952 resulted in a net income of \$964,138.92. All funds reflected an excess of income over expenditures in the following amounts:

State Insurance Fund	\$707,093.19
Accident Benefits Fund	191,651.08
Occupational Diseases Fund	65,394.65
Total	\$964,138.92

This is the first full year's operations under the rates established April 1, 1951 which are responsible to a large extent for the substantial increase in earned premiums. Benefits expense as a total was not as great as in the prior year. Administrative expense and other income remained approximately at the prior year's level.

In view of the almost revolutionary change in principle in providing for liabilities on pending claims and pensions, coupled with the increased rates which applied during this fiscal year, we have taken the position that no constructive purpose could be served by supplying comparative operating statements in this report.

We have also omitted from our report the cumulative totals of financial data for the period from the inception of the funds to date for the same reason.

From our examination of Unclaimed Balances, we found that \$16,257.65 of these premiums were earned and therefore we have written this amount off to income.

We have examined the pension records and find that in four instances the beneficiaries were overpaid, one overpayment being later recovered. The practice of making pension payments on the first day of the month instead of at the end of the month is partly responsible for this. The new procedures to be instituted will, no doubt, make this correction.

It has been the practice of the Commission to allocate earned premiums of the ensuing year to the respective funds upon the basis of the relative benefits expense of each fund. The study of the benefits expense of each fund included those of the prior year or years and by estimate, developing percentages applicable for each fund. The current year's results and the condition of the respective funds indicate that the formula used in the current fiscal year is substantially adequate. We recommend for adoption the following percentages for allocating premiums to the several funds effective July 1, 1952:

	Percent
State Insurance Fund.....	51.00
Accident Benefit Fund.....	42.00
Occupational Diseases Fund.....	7.00
Total	100.00

It appears to us that this allocation may be made at the end of the fiscal year rather than monthly. The Commission issues no monthly operating statements and the end result is statistical at best. Whether the earned premiums have been allocated to a given fund in sufficient amount to meet the benefits expense of that fund is pointless. Since the benefits must be paid, the funds must be transferred to that fund in any event.

The administrative expenses and miscellaneous income for the fiscal year are set forth in detail in Schedules Nos. 4 and 5, respectively. These have been allocated to the respective funds on the basis of the earned premiums.

EXHIBIT C—ANALYSIS OF SURPLUS

This analysis sets forth in some detail the adjustments for the current year. Most of the changes in surplus covered provisions for various reserves upon which we have previously commented. Other important adjustments include the write-off of fixed assets and the reduction of reserves for pending claims and pensions.

EXHIBIT D

STATEMENT OF RECEIPTS AND DISBURSEMENTS BY FUNDS

The total receipts for the current year were \$3,481,387.98 and the disbursements \$2,495,325.50 resulting in a net increase in funds for

the period of \$986,062.48. All funds reflect an increase for the year in the following amounts:

State Insurance Fund	_____	\$732,948.24
Accident Benefit Fund	_____	113,939.66
Occupational Diseases Fund	_____	139,174.58
Total increase	_____	\$986,062.48

This fund increase is reflected in cash and bonds owned.

GENERAL COMMENTS

We are impressed with the real need for an adequate and competent force of auditors in the field. It is apparent to us from our examination that such a staff will materially facilitate the work of the office staff and actually be productive of additional revenues.

We recommend that a listing of those claims acted upon by the Commission at claim hearings be substituted for the present method of writing excerpts thereof in the minutes. The transactions may be bound chronologically and the listing used as reference.

Our observations of the accounting methods and procedures employed by the Commission, convince us that much may be done toward its improvement. The employment of mechanical equipment would serve to reduce some of the manual work now being done. However, this subject has been assigned to Woodward and Fondiller, Inc., and we feel confident that the required improvements will be made.

It is our opinion that the attached exhibits present fairly the financial condition of the Nevada Industrial Commission at June 30, 1952 and the results of operations for the fiscal year then ended in accordance with generally accepted principles of accounting.

Respectfully submitted,

KAFOURY AND ARMSTRONG,
Public Accountants.

REPORT OF NEVADA INDUSTRIAL COMMISSION

EXHIBIT A
NEVADA INDUSTRIAL COMMISSION—CONSOLIDATED BALANCE SHEET JUNE 30, 1952

ASSETS	STATE		ACCIDENT		OCCUPATIONAL		CONSOLIDATED	
	INSURANCE FUND	BENEFIT FUND	DISEASES FUND	BALANCE SHEET	INSURANCE FUND	BENEFIT FUND	DISEASES FUND	BALANCE SHEET
Current Assets—								
Cash on hand and on deposit (Schedule No. 1)	\$802,054.00	\$142,088.52	\$171,287.27	\$1,115,409.79				
Earned premiums due	278,870.39	196,332.72	36,683.54	511,396.65				
Account receivable	994.00	945.65		1,239.65				
Accrued interest	72,859.82	18,818.25	1,347.92	93,125.99				
Total current assets	\$1,153,678.21	\$358,185.14	1,347.92	\$209,308.73				\$1,721,172.08
Investments—								
Bonds owned (Schedules Nos. 2 and 3)	9,551,543.56	2,167,860.52		235,847.65				11,955,251.73
Fixed Assets								
Land, buildings and improvements	\$1.00							\$1.00
Furniture and fixtures	1.00							1.00
Automobiles	3.00							3.00
Total assets	\$10,705,224.77	\$2,526,045.66		\$445,156.38				\$13,676,426.81
LIABILITIES								
Current Liabilities—								
Advance premium deposits	\$731,065.64			\$731,065.64				
Accounts payable	8,173.73			8,173.73				
Accrued withholding tax	5,905.10			5,905.10				
Due Public Employees' Retirement Fund	1,220.96			1,220.96				
Total current liabilities	\$746,365.43			\$746,365.43				
Reserves—								
For pending claims	\$486,858.00	\$265,884.00	\$88,447.00	\$841,139.00				
For incurred but unreported claims	153,010.00	106,639.00	19,980.00	279,629.00				
For approved claims	68,254.00	28,152.00	4,798.00	101,199.00				
For approved pensions	2,966,037.00		189,859.00	3,155,896.00				
For catastrophes	500,000.00			500,000.00				
For fluctuation in value of investments	439,400.00	99,700.00	10,900.00	550,000.00				
For stabilization of rates	530,000.00	400,000.00	70,000.00	1,000,000.00				
Total reserves	5,143,559.00	900,325.00	10,900.00	6,054,784.00				6,427,863.00
Surplus (Exhibit C)	4,830,254.58	1,612,557.31	70,000.00	6,502,811.89				6,502,193.38
Total liabilities and surplus	\$10,720,179.01	\$2,512,882.31		\$448,365.49				\$13,676,426.81

EXHIBIT B
NEVADA INDUSTRIAL COMMISSION—STATEMENT OF OPERATIONS
BY FUNDS FOR THE YEAR ENDED JUNE 30, 1952

	State Insurance Fund	Accident Benefit Fund	Occupational Diseases Fund	Total
Earned Premiums—				
Reported	\$1,499,550.14	\$1,004,476.02	\$198,725.13	\$2,702,751.29
Estimated additional due	237,023.77	166,099.88	31,359.19	434,482.84
Total earned premiums—	<u>\$1,736,573.91</u>	<u>\$1,170,575.90</u>	<u>\$230,084.32</u>	<u>\$3,137,234.13</u>
Benefits Expense—				
Benefits paid	\$465,400.00	\$641,390.85	\$25,303.44	\$1,132,094.29
Estimated pending claims	287,498.00	210,654.00	82,147.00	580,299.00
Incurred but unreported claims	153,010.00	106,639.00	19,980.00	279,629.00
Pensions awarded	247,700.00		27,994.00	275,694.00
Total benefits expense—	<u>\$1,153,608.00</u>	<u>\$958,683.85</u>	<u>\$155,424.44</u>	<u>\$2,267,716.29</u>
Excess—earned premiums over benefits expense—	\$582,965.91	\$211,892.05	\$74,659.88	\$869,517.84
Administrative Expense— (Schedule No. 4)	109,941.54	74,108.74	14,579.42	198,629.70
	<u>\$473,024.37</u>	<u>\$137,783.31</u>	<u>\$60,080.46</u>	<u>\$670,888.14</u>
Other Income—				
Interest earned—net	\$233,510.16	\$53,491.19	\$5,240.11	\$292,241.46
Miscellaneous income— (Schedule No. 5)	1,027.46	692.58	136.25	1,856.29
Total other income—	<u>\$234,537.62</u>	<u>\$54,183.77</u>	<u>\$5,376.36</u>	<u>\$294,097.75</u>
Other Expense—				
Bad debts	\$468.80	\$316.00	\$62.17	\$846.97
Excess of income over expense	<u>\$707,093.19</u>	<u>\$191,651.08</u>	<u>\$65,394.65</u>	<u>\$964,138.92</u>

REPORT OF NEVADA INDUSTRIAL COMMISSION

EXHIBIT C
NEVADA INDUSTRIAL COMMISSION—ANALYSIS OF SURPLUS
BY FUNDS, JUNE 30, 1952

	State Insurance Fund	Accident Benefit Fund	Occupational Diseases Fund	Total
Balance, July 1, 1951.....	\$4,375,096.34	\$1,611,166.40	\$61,660.54	\$6,047,923.28
Additions—				
Cancellation of pension provided for Mike Konich who died December 19, 1951.....			\$4,185.80	\$4,185.80
Earned premiums for prior year in excess of estimate at June 30, 1951.....	\$4,805.41	\$2,572.58	310.59	7,688.58
Adjustment of reserves for estimated liability for pending claims of prior years (1946-1950) to conform with provision set forth in Table D of Part II of Actuarial Survey.....	564,789.12	335,680.78	*6,099.69	894,370.21
Adjustment of pension reserves for claims of prior years (1946-1950) to conform with estimated liability as set forth in Table C of Part II of Actuarial Survey.....	577,488.69		19,779.18	597,267.87
Excess of income over expense for year ended June 30, 1952 (Exhibit B).....	707,093.19	191,651.08	65,394.65	964,138.92
Total additions.....	\$1,854,176.41	\$529,904.44	\$83,570.53	\$2,467,651.38
Deductions—				
Adjustment of accrued interest receivable balance at June 30, 1951.....	\$500.43	\$0.09		\$500.52
Write-off of furniture and fixtures not accounted for as a result of actual physical inventory at June 30, 1952.....	2,708.01			2,708.01
Net adjustment required to write off book value of all fixed assets at June 30, 1951 to a carrying value of \$3 per resolution of Commission To set up reserves for estimated liability on reopened claims as set forth in Table A, Part II of Actuarial Survey.....	56,672.09			56,672.09
To provide an addition to the Reserve for Catastrophes in accordance with Part I of Actuarial Survey and pursuant to resolution of Commission.....	68,254.00	28,152.00	4,793.00	101,199.00
To provide a reserve for fluctuation in values of investments in accordance with Part I of Actuarial Survey and pursuant to resolution of Commission.....	300,000.00			300,000.00
To provide a reserve for rate stabilization in accordance with Part I of Actuarial Survey and pursuant to resolution of Commission.....	439,400.00	99,700.00	10,900.00	550,000.00
Net adjustment required to write off balance of prepaid insurance account at June 30, 1951 pursuant to resolution of Commission.....	530,000.00	400,000.00	70,000.00	1,000,000.00
Total deductions.....	1,483.64	661.44	151.53	2,296.66
Balance, June 30, 1952.....	\$1,399,018.17	\$528,513.53	\$85,844.53	\$2,013,376.28
	\$4,830,254.58	\$1,612,557.31	\$59,386.49	\$6,502,198.38

*Loss.

EXHIBIT D
NEVADA INDUSTRIAL COMMISSION—STATEMENT OF RECEIPTS AND
DISBURSEMENTS BY FUNDS FOR THE YEAR ENDED JUNE 30, 1952

	State Insurance Fund	Accident Benefit Fund	Occupational Diseases Fund	Total
Receipts—				
Premiums reported—net	\$1,712,873.59	\$1,097,659.21	\$222,806.41	\$3,033,139.21
Less: Uncollected accounts	346.06	261.18	45.71	652.95
Premiums earned and collected	\$1,712,327.53	\$1,097,398.03	\$222,760.70	\$3,032,486.26
Advance premium deposits	154,827.46			154,827.46
Total premiums and deposits	\$1,866,954.99	\$1,097,398.03	\$222,760.70	\$3,187,113.72
Interest (less interest purchased and net charge for amortization of bond premium and discount)	234,498.34	53,031.19	4,823.44	292,352.97
Rents received	1,021.68	679.11	134.21	1,835.00
Miscellaneous receipts	47.76	32.19	6.34	86.29
Total receipts	\$2,102,522.77	\$1,151,140.52	\$227,724.69	\$3,481,387.98
Disbursements—				
Benefits paid	\$1,263,099.75	\$969,326.87	\$75,178.73	\$2,307,605.35
Administrative expense	101,426.02	67,873.99	13,371.33	182,671.39
Furniture and equipment	3,457.97			3,457.97
Office building improvements	1,075.79			1,075.79
Automobiles	1,115.00			1,115.00
Total disbursements	\$1,369,574.53	\$1,037,200.86	\$88,550.11	\$2,495,325.50
Excess of cash receipts over disbursements	\$732,948.24	\$113,939.66	\$139,174.58	\$986,062.48
Balance in funds, July 1, 1951	9,620,649.32	2,196,009.38	267,940.34	12,084,599.04
Balance in funds, June 30, 1952	\$10,353,597.56	\$2,309,949.04	\$407,114.92	\$13,070,661.52
Represented By—				
Cash (Schedule No. 1)	\$802,054.00	\$142,088.52	\$171,267.27	\$1,115,409.79
Bonds owned, stated at cost less amortization of bond premiums and discount (Schedules Nos. 2 and 3)	9,551,543.56	2,167,860.52	235,847.65	11,955,251.73
Totals	\$10,353,597.56	\$2,309,949.04	\$407,114.92	\$13,070,661.52

SCHEDULE NO. 1

NEVADA INDUSTRIAL COMMISSION — CASH ON HAND AND ON
DEPOSIT, BONDS PLEDGED TO SECURE DEPOSITS IN BANK
JUNE 30, 1952.

Cash on Hand and on Deposit—		
State Treasurer of Nevada—		\$993,053.75
First National Bank of Nevada, Carson City Branch—		
General Account	\$117,256.04	
Revolving Fund	5,000.00	
Office Petty Cash Fund		122,256.04
		100.00
Total Cash on Hand and on Deposit		<u>\$1,115,409.79</u>
Allocated to Following Funds—		
State Insurance Fund		\$802,054.00
Accident Benefit Fund		142,088.52
Occupational Diseases Fund		171,267.27
Total		<u>\$1,115,409.79</u>
Bonds Pledged to Secure Deposits in First		
National Bank of Nevada—		
City of Reno, Special 1930 Sewer, 5%, due 1953-1955		\$18,000.00
Sparks School District No. 29, 3%, due September 15, 1960		13,000.00
United States Treasury, 2 1/2%, due 1960-1965		30,000.00
United States Treasury, 2%, due 1952-1954		200,000.00
Total		<u>\$261,000.00</u>

SCHEDULE NO. 2
NEVADA INDUSTRIAL COMMISSION—BONDS OWNED, STATE INSURANCE FUND, JUNE 30, 1952

Title of Issue	Rate of interest	Date of maturity	BALANCE JUNE 30, 1951		PURCHASES		REDEMPTION AND SALES		Amortization of premium or discount	BALANCE JUNE 30, 1952		Bond interest earned this fiscal year	
			Par	Book value	July 1, 1951, to June 30, 1952—	Cost	July 1, 1951, to June 30, 1952—	Book value		Par	Book value		
Borough of Avalon, New Jersey, general refunding	3%	1953	\$15,000.00	\$15,000.00					\$27.11	\$15,000.00	\$15,026.11	\$120.00	
Borough of Avalon, New Jersey, general refunding	3%	1954	17,000.00	17,000.00					30.29	17,000.00	17,070.29	130.00	
Borough of Avalon, New Jersey, general refunding	3%	1955	17,000.00	17,125.00					22.26	17,000.00	17,092.26	130.00	
Borough of Avalon, New Jersey, general refunding	3%	1956	1,000.00	1,018.13					1.58	1,000.00	1,017.52	30.00	
Borough of Avalon, New Jersey, general refunding	3%	1955	14,000.00	14,303.54					21.33	14,000.00	14,251.01	120.00	
Borough of Avalon, New Jersey, general refunding	3%	1956	24,000.00	24,357.93					36.53	24,000.00	24,211.55	170.00	
Borough of Avalon, New Jersey, general refunding	3%	1957	24,000.00	24,374.33					35.32	24,000.00	24,550.67	170.00	
Borough of Avalon, New Jersey, general refunding	3%	1958	25,000.00	25,449.72					35.37	25,000.00	25,033.76	170.00	
Borough of Avalon, New Jersey, general refunding	3%	1959	9,000.00	9,241.30					13.16	9,000.00	9,223.14	270.00	
Borough of Avalon, New Jersey, general refunding	3%	1956-1970	27,000.00	27,216.01					45.11	27,000.00	27,170.00	310.00	
Borough of Avalon, New Jersey, general refunding	3%	1956-1971	27,000.00	27,216.01					45.12	27,000.00	27,170.00	310.00	
Carson City School District No. 1 (High School), \$4,000 par value, matures annually	3 1/2%	1950-1953	12,000.00	12,035.02			\$3,000.00	\$3,000.00	14.19	9,000.00	9,030.83	411.25	
Carson City School District No. 1, School (second issue), \$1,000 par value, matures annually	3 1/2%	1950-1956	6,000.00	6,011.42			1,000.00	1,000.00	3.81	5,000.00	5,007.61	175.00	
Carson City Municipal Auditorium, \$5,000 par value, matures annually	4%	1949-1953	16,000.00	16,491.31			2,000.00	2,000.00	120.03	14,000.00	14,371.28	573.33	
County of Clark Educational District No. 1 (1937), \$3,000 par value, matures annually	3 1/2%	1948-1956	18,000.00	18,000.00			3,000.00	3,000.00		15,000.00	15,000.00	585.00	
County of Clark Educational District No. 1 (1933), \$3,000 par value, matures annually	3 1/2%	1949-1956	24,000.00	24,000.00			3,000.00	3,000.00		21,000.00	21,000.00	682.50	
County of Clark Educational District No. 1, \$2,000 par value, matures annually beginning December 31, 1952	2 1/2%	1952-1961	20,000.00	20,000.00						20,000.00	20,000.00	530.00	
Clark County Hospital	2 1/2%	1953	44,000.00	44,000.00						22,000.00	22,000.00	740.00	
Clark County Hospital, \$22,000, matures annually beginning in 1954	2 1/2%	1954-1966	226,000.00	226,000.00						226,000.00	226,000.00	6,877.50	
Clark County Airport, \$15,000 par value, matures semiannually	3%	1949-1966	48,000.00	48,000.00						48,000.00	48,000.00	12,000.00	
Clark County Airport, \$15,000 par value, matures semiannually	3%	1958	5,000.00	5,000.00						5,000.00	5,000.00	126.00	
City of Eiko Municipal office and fire department, \$5,000 par value, matures biannually beginning June 1, 1957	2 1/2%	1957-1963	20,000.00	20,000.00						20,000.00	20,000.00	500.00	
Hudson County New Jersey, Hospital	4%	1960	20,000.00	20,000.00						20,000.00	20,000.00	300.00	
Hudson County New Jersey Park	4%	1954	1,000.00	1,000.00						1,000.00	1,000.00	20.00	
Hudson County New Jersey Park	4%	1959	11,000.00	11,000.00						11,000.00	11,000.00	360.00	
Las Vegas Grammar School District No. 12 Building, \$1,000 par value, matures September 1, 1952	2 1/2%	1952			\$1,000.00	\$1,000.00				1,000.00	1,000.00	15.37	
Las Vegas Grammar School District No. 12 Building	2 1/2%	1954			30,000.00	30,000.00				30,000.00	30,000.00	300.00	
Las Vegas sewerage issue of 1931, \$4,000 par value, matures annually	6%	1949-1952	16,000.00	16,000.00			8,000.00	8,000.00	.38	8,000.00	8,000.00	480.00	
City of Las Vegas, storm sewer, \$13,000 par value, matures annually	2 1/2%	1950-1968	221,000.00	221,000.00			13,000.00	13,000.00		208,000.00	208,000.00	5,362.50	
Lincoln County Court House, \$3,000 par value, matures annually	3 1/2%	1949-1957	21,000.00	21,021.80			3,000.00	3,000.00	6.97	18,000.00	18,015.73	547.50	
Lincoln County Hospital, \$1,500 par value, matures annually	3 1/2%	1949-1957	10,500.00	10,509.73			1,500.00	1,500.00	2.71	9,000.00	9,007.02	323.75	
Lyon County Courthouse Improvement, \$1,500 par value, matures annually	4%	1949-1954	6,000.00	6,029.04			1,500.00	1,500.00	13.20	4,500.00	4,515.84	200.00	
Metropolitan Water District of Southern California, Colorado River Waterworks, refunding	4%	1974	25,000.00	42,250.50						329.58	35,000.00	41,921.22	1,400.00
Metropolitan Water District of Southern California, Colorado River Waterworks, refunding	4%	1977	50,000.00	62,963.65						618.54	50,000.00	62,445.11	2,000.00
Metropolitan Water District of Southern California, Colorado River Waterworks, refunding	4%	1982	10,000.00	12,568.28						86.26	10,000.00	12,502.00	400.00
Metropolitan Water District of Southern California, Colorado River Waterworks, refunding	4%	1984	5,000.00	6,345.37						42.06	5,000.00	6,203.31	200.00
City of New York, water supply	4%	1930	100,000.00	124,431.10						844.24	100,000.00	123,631.86	4,000.00
Township of North Bergen, New Jersey, refunding	3 1/2%	1952	1,000.00	1,010.57						11.68	1,000.00	1,008.84	37.50
Township of North Bergen, New Jersey, refunding	3 1/2%	1953	30,000.00	30,370.46						348.12	30,000.00	30,390.14	1,125.00
Township of North Bergen, New Jersey, refunding	3 1/2%	1954	5,000.00	5,121.41						58.31	5,000.00	5,127.50	187.50
Township of North Bergen, New Jersey, refunding	3 1/2%	1955	65,000.00	65,258.08						730.14	65,000.00	67,455.62	2,437.50
Township of North Bergen, New Jersey, refunding	3 1/2%	1957	10,000.00	10,033.81						164.24	10,000.00	10,339.57	362.50
Township of North Bergen, New Jersey, refunding	3 1/2%	1958	41,000.00	41,141.19						653.30	41,000.00	43,277.30	1,537.50
Township of North Bergen, New Jersey, refunding	3 1/2%	1959	123,000.00	123,045.57						1,312.32	123,000.00	124,732.21	4,612.50
Township of North Bergen, New Jersey, refunding	3 1/2%	1960	10,000.00	10,022.27						105.37	10,000.00	10,124.90	375.00
Paradise School District No. 3, school, \$1,500 par value, matures annually	4%	1950-1956	5,000.00	5,000.00			1,000.00	1,000.00		4,000.00	4,000.00	180.00	
City of Reno, Lake and Sinclair Streets bridge	2 1/2%	1949-1951	5,000.00	5,001.85			1,000.00	1,000.00	1.95			31.25	
City of Reno, Sierra and Granite Streets bridge	2 1/2%	1951	5,000.00	5,001.68			1,000.00	1,000.00	1.68			34.33	
Reno School District No. 10, school, \$115,000 par value, matures annually	2 1/2%	1951-1964	1,150,000.00	1,150,000.00			135,000.00	135,000.00		1,755,000.00	1,755,000.00	48,262.50	
Reno School District No. 10, school	2 1/2%	1965	110,000.00	110,000.00						110,000.00	110,000.00	3,025.00	
Searchlight School District, \$300 par value, matures annually	3 1/2%	1949-1953	1,500.00	1,500.00			1,000.00	1,000.00		500.00	500.00	85.00	
Sparks School District No. 29, school	3 1/2%	1952	5,000.00	5,004.71			5,000.00	5,000.00	4.71			162.92	
Sparks School District No. 29, school, \$3,000 par value, matures annually	3 1/2%	1953-1954	13,000.00	13,042.45						17.00	13,000.00	13,025.45	612.00
Sparks School District No. 29, school	3 1/2%	1955	4,000.00	4,015.12						3.77	4,000.00	4,011.35	138.00
Sparks School District No. 29, school	3%	1961	1,000.00	1,023.55						2.92	1,000.00	1,026.33	30.00

SCHEDULE NO. 4
NEVADA INDUSTRIAL COMMISSION—ADMINISTRATIVE EXPENSE
FOR THE YEAR ENDED JUNE 30, 1952

Rent		\$2,221.50
Legal		3,000.00
Professional actuary fees and expense		9,361.13
Professional auditing fees		3,100.00
Claim investigation		2,188.55
Transportation—		
Commissioners	\$50.50	
Special services	66.24	
		119.74
Hotel Account—		
Commissioners	\$1,065.78	
Special services	334.32	
Traveling auditors	1,709.50	
		3,109.60
Incidental Expense—		
Commissioners	\$0.10	
Special services	.55	
Traveling auditors	12.75	
		13.40
Salaries—		
Commissioners	\$14,407.40	
Traveling auditors	14,190.00	
Physicians	3,000.00	
Office	91,380.74	
Special services	3,347.69	
Janitor	3,256.00	
		129,581.83
Printing and stationery		7,202.82
Postage		4,049.06
Office equipment	\$2,157.97	
Office supplies and expense	7,808.40	
		10,966.37
General expense		5,516.93
Building maintenance		4,924.91
Contribution to Public Employees' Retirement Fund		6,679.12
Industrial insurance premiums on employees		652.95
Automobile purchased	\$1,115.00	
Automobile expense	4,826.79	
		5,941.79
Total administrative expense		\$198,629.70
Allocated to—		
State Insurance Fund	\$109,941.54	
Accident Benefit Fund	74,108.74	
Occupational Diseases Fund	14,579.42	
Total		\$198,629.70

NOTE—The total administrative expense and bad debts has been allocated to each fund in proportion to the premiums earned for the fiscal year ended June 30, 1952.

SCHEDULE NO. 5
NEVADA INDUSTRIAL COMMISSION—MISCELLANEOUS INCOME
FOR THE YEAR ENDED JUNE 30, 1952

Rental income	\$1,770.00
Miscellaneous	5.00
Recovery of bad debts	81.29
Total miscellaneous income	\$1,856.29
Allocated to—	
State Insurance Fund	\$1,027.46
Accident Benefit Fund	692.58
Occupational Diseases Fund	136.25
Total	\$1,856.29

NOTE—Miscellaneous income has been allocated to each fund in proportion to the premiums earned for the fiscal year ended June 30, 1952.