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NOTICE TO LICENSEES

Notice #2019-69

Issuing Division: Audit

DATE: October 16, 2019

TO: All Group I and II Nonrestricted Licensees, CPA Firms and Interested Persons

FROM: Terry Johnson, Esq., Board Member

SUBJECT: **Regulations 6.010 and 6.080 – Posting of Annual Threshold Amounts for Group I and II Nonrestricted Licensee Definitions and for Submission of Audited/Reviewed Financial Statements**

Pursuant to NRS 463.159(3) and Regulation 6.080(2), (3) and (4), the Board is required to adjust the annual threshold amounts used to determine which nonrestricted licensees are subject to audits of financial statements and which are subject to reviews of financial statements. Additionally, pursuant to Regulation 6.010(7), the Board is required to adjust the annual gross revenue threshold amounts defining Group I and Group II nonrestricted licensees. The annual threshold adjustments mentioned above are required to be posted on the Board's website no later than December 15 preceding the fiscal year for which such amounts shall be effective.

The threshold amounts indicated in the below table are for Regulations 6.010 and 6.080 and have been calculated based on a consumer price index ("CPI") adjustment of 2.5%. The revisions to Regulation 6.080 will be effective January 1, 2020, while the changes to Regulation 6.010 will be effective July 1, 2020.

The below table is also available on the Board's website at <http://gaming.nv.gov/index.aspx?page=94>.

Group I Licensee

Regulation Effective Date Amount for 12 months ended June 30th:

6.010(5)(a)

Nonrestricted licensee having gross revenue of:

July 1, 2018	Annual gross revenue of \$6,517,000 or more
July 1, 2019	Annual gross revenue of \$6,654,000 or more
July 1, 2020	Annual gross revenue of \$6,820,000 or more

Nonrestricted licensee, whose operation consists primarily of a race book or sports pool or both:

July 1, 2018	Wagers of \$73,368,000 or more
July 1, 2019	Wagers of \$74,909,000 or more
July 1, 2020	Wagers of \$76,782,000 or more

Group II Licensee

Regulation Effective Date Amount for 12 months ended June 30th:

6.010(6)

Nonrestricted licensee having gross revenue of:

July 1, 2018	Annual gross revenue less than \$6,517,000
July 1, 2019	Annual gross revenue less than \$6,654,000
July 1, 2020	Annual gross revenue less than \$6,820,000

Nonrestricted licensee, whose operation consists primarily of a race book or sports pool or both:

July 1, 2018	Wagers less than \$73,368,000
July 1, 2019	Wagers less than \$74,909,000
July 1, 2020	Wagers less than \$76,782,000

Require Submission of Audited Financial Statements for:

Regulation Effective Date Amount for 12 months ended December 31st:

6.080(2)

Nonrestricted licensee having gross revenue of:

January 1, 2018	Annual gross revenue of \$13,033,000 or more
January 1, 2019	Annual gross revenue of \$13,307,000 or more
January 1, 2020	Annual gross revenue of \$13,640,000 or more

Nonrestricted licensee, whose operation consists primarily of a race book or sports pool or both:

January 1, 2018	Wagers of \$96,832,000 or more
January 1, 2019	Wagers of \$98,865,000 or more
January 1, 2020	Wagers of \$101,337,000 or more

Require Submission of Reviewed Financial Statements for:

Regulation Effective Date Amount for 12 months ended December 31st:

6.080(3)

Nonrestricted licensee having gross revenue of:

January 1, 2018 Annual gross revenue more than \$6,517,000 but less than \$13,033,000
January 1, 2019 Annual gross revenue more than \$6,654,000 but less than \$13,307,000
January 1, 2020 Annual gross revenue more than \$6,820,000 but less than \$13,640,000

Nonrestricted licensee, whose operation consists primarily of a race book or sports pool or both:

January 1, 2018 Wagers amount more than \$44,029,000 but less than \$96,832,000
January 1, 2019 Wagers amount more than \$44,954,000 but less than \$98,865,000
January 1, 2020 Wagers amount more than \$46,078,000 but less than \$101,337,000

Chairman may Require the Submission of Audited or Reviewed Financial Statements:

Regulation Effective Date Amount for 12 months ended December 31st:

6.080(4)

Nonrestricted licensee having gross revenue of:

January 1, 2018 Annual gross revenue of \$6,517,000 or less
January 1, 2019 Annual gross revenue of \$6,654,000 or less
January 1, 2020 Annual gross revenue of \$6,820,000 or less

Nonrestricted licensee, whose operation consists primarily of a race book or sports pool or both:

January 1, 2018 Wagers amount of \$44,029,000 or less
January 1, 2019 Wagers amount of \$44,954,000 or less
January 1, 2020 Wagers amount of \$46,078,000 or less