

REGULATION 6

ACCOUNTING REGULATIONS

(Amendments Adopted by the Nevada Gaming Commission on 05/22/03)

6.010(1) through 6.010(10) **No change.**

11. "Statistical drop" means the dollar amount of cash wagered by a patron that is placed in the drop box plus the dollar amount of chips or tokens issued at a table to a patron for currency, **[or] credit instruments, or rim credit.**

6.010(12) **No change.**

(Adopted: 10/87. Amended: 2/88; 12/91; 11/96; 5/00; 11/00; 11/01; 11/02; **5/03**. Effective: **[5/00] 5/22/03** except (5) **[or] and** (6) as noted.)

6.020 through 6.040 **No change.**

6.045 On-line slot metering systems.

1. Each Group I nonrestricted licensee (or applicant for a nonrestricted license) having actual (or projected) gross revenue of \$10 million or more for the 12 months ended June 30th each year shall:

(a) Install and thereafter maintain an on-line slot metering system meeting the specifications addressed in Regulation 14, as applicable to its operation, unless a specification is waived by the chairman. The chairman may waive this system requirement if a significant portion of the licensee's gaming devices are incapable of communicating with an on-line slot metering system.

(b) Within six months of installing the on-line slot metering system, ensure that all gaming devices properly communicate to the on-line slot metering system the information required by the Regulation 14 Technical Standards, unless this requirement is waived by the chairman. Gaming devices that are unable to communicate with the on-line slot metering system need not be interfaced with the system.

2. The chairman may require that a nonrestricted licensee not meeting the above gross revenue threshold be subject to this section through written notification. Such notification shall be sent to the licensee at least 6 months before compliance with this section is required. The imposition of this requirement shall be considered an administrative decision and, therefore, reviewable pursuant to Regulations 4.185, 4.190 and 4.195.

3. A licensee shall be in full compliance with this regulation within six months of becoming subject to this requirement as a result of exceeding the \$10 million gross revenue threshold. Once a licensee becomes subject to this requirement, the licensee shall remain subject to this requirement in subsequent years unless waived by the chairman in writing.

(Adopted: 5/03. Effective: 5/22/05.)

6.050 through 6.070 **No change.**

6.080 Audited financial statements.

1. through 5. **No change.**

6. Each licensee shall submit to the board 2 copies of its audited or reviewed financial statements not later than 120 days after the last day of the licensee's business year. **Unless the chairman approves otherwise in writing, [I]** in the event of a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or former licensee shall, not later than 120 days after the event, submit to the board 2 copies of audited or reviewed financial statements covering the period since the period covered by the previous financial statement. If a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of a business year for which a financial statement has not been submitted, the licensee may submit financial statements covering both the business year and the final period of business.

7. through 9. **No change.**

(Adopted: 10/87. Amended: 6/18/92; 11/92; 11/93; 11/94; 10/95; 11/96; 11/97; 11/98; 11/[18]/99; 2/24/00; 5/00; 11/00; 11/01; 11/02; **5/03**. [**Effective: 1/1/03.**])

6.090 Internal control for Group I licensees. As used in this section, "licensee" means a Group I licensee and "chairman" means the chairman or other member of the state gaming control board.

1. through 8. **No change.**

9. Each licensee shall require the independent accountant engaged by the licensee to examine the financial statements or to review the licensee's financial statements to submit to the licensee 2 copies of a written report of the compliance of the procedures and written system with the minimum internal control standards. Using the criteria established by the chairman, the independent accountant shall report each event and procedure discovered by or brought to the accountant's attention that the accountant believes does not satisfy the minimum standards or variations from the standards that have been approved by the chairman pursuant to subsection 8. Not later than 150 days after the end of the licensee's business year, the licensee shall submit a copy of the accountant's report or any other correspondence directly relating to the licensee's systems of internal control to the board accompanied by the licensee's statement addressing each item of noncompliance noted by the accountant and describing the corrective measures taken. **Unless the chairman approves otherwise in writing, in the event of a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or former licensee shall, not later than 150 days after the event, submit a copy of the accountant's report or any other correspondence directly relating to the licensee's systems of internal control to the board accompanied by the licensee's statement addressing each item of noncompliance noted by the accountant and describing the corrective measures taken covering the period since the period covered by the previous report. If a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 150 days after the end of**

a business year for which a report has not been submitted, the licensee may submit a report covering both the business year and the final period of business.

10. No change.

11. [Not later than the last day of the fourth and tenth calendar months of the licensee's business year, or such other annual period as the chairman may approve or require, the] **Each** licensee shall **annually** report any amendments to the licensee's procedures and written system [, **not affecting compliance with the minimum standards**], **not reported pursuant to Regulation 6.090(10)**, that have been made since the previous **annual** report. The report must include either a copy of the written system as amended or a copy of each amended page of the written system, and a written description of the amendments signed by the licensee's chief financial officer, **[and either the licensee's chief executive officer or a licensed owner. If no such amendments have been made, the licensee shall submit a statement to that effect signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner.]**

12. No change.

13. Each licensee shall comply with its written system of internal control submitted pursuant to subsection 2 as it relates to compliance with the minimum standards, variations from the minimum standards approved pursuant to subsection 8, and Regulation 14 associated equipment approvals.

14 [13]. Failure to comply with **subsection 13** [the minimum standards or the variations from the minimum standards approved pursuant to subsection 8] is an unsuitable method of operation.

15. Using guidelines, checklists, and other criteria established by the chairman, the licensee's internal auditor shall perform observations, document examinations, and inquiries of employees to determine compliance with applicable statutes, regulations, and minimum internal control standards. Two copies of the internal auditor's report summarizing all instances of noncompliance and management responses must be submitted to the board within 120 days after the end of the first six months of the licensee's business year and must include all work required to be performed during that six-month period along with any additional procedures that were performed. Noncompliance noted in the second half of the business year must be submitted to the board within 120 days after the end of the business year unless the noncompliance is to be disclosed in the independent accountant's report submitted pursuant to Regulations 6.090(9) and 6A.060(2).

(Adopted: 10/87. Formerly Reg. 6.090A. Amended: 2/00; **5/03**.)

6.100 No change.

6.105 Internal control for operators of inter-casino linked systems.

1. and 2. No change.

3. **Unless the chairman approves otherwise in writing, each operator shall direct an independent accountant engaged by the operator to perform observations, document examinations and inquiries of employees to determine compliance with the operator's internal control system using procedures approved by the chairman.** [Each operator shall require t]The independent accountant engaged by the operator [to audit the operator's financial statements to] **will** submit to the operator two copies of a written report of its compliance with the internal control system approved by the chairman. Not later than 150 days after the end of the operator's business year, the operator shall submit two copies of the independent accountant's report **summarizing all instances of noncompliance** or any other correspondence directly relating to the operator's system of internal control to the board, accompanied by the operator's statement addressing each item of noncompliance noted by the independent accountant and describing the corrective measures taken.
(Adopted: 5/00. **Amended: 5/03.**)

6.110 Gross revenue computations.

1. For each table game, gross revenue equals the closing **table game** bankroll plus credit slips for cash, chips, [or] tokens, **or personal/payroll checks** returned to the casino cage, plus drop, less opening **table game** bankroll, [and] fills to the table, **and any electronic money transfers issued from the game through the use of a cashless wagering system.**

(Adopted 10/87. **Amended: 5/03.** [Effective: 1/88].)

2. **No change.**

3. For each counter game, gross revenue equals:

(a) The [money accepted by the licensee] **counter games write** on events or games that occur during the month or will occur in subsequent months, less [money paid out] **counter games payouts** during the month ("**cash basis**") [to patrons on winning wagers]; or

(b) The [money accepted by the licensee] **counter games write** on events or games that occur during the month, plus [money,] **counter games write** not previously included in gross revenue[,] that was accepted by the licensee in previous months on events or games occurring [in] **during** the month, less [money paid out] **counter games payouts** during the month ("**modified accrual basis**") [to patrons on winning wagers].

(Adopted: 10/87. **Amended: 05/03.** [Effective: 1/88].)

4. through 10. **No change.**

11. Payout receipts and wagering vouchers issued at a game or gaming device shall be deducted from gross revenue as jackpot payouts in the month the receipts or vouchers are issued by the game or gaming device. Payout receipts and wagering vouchers deducted from gross revenue that are not redeemed within 60 days of issuance shall be included in gross revenue. An unredeemed payout receipt or wagering voucher previously included in gross revenue may be deducted from gross revenue in the month redeemed.

(Adopted: 5/03.)

6.115 **No change.**

6.120 Treatment of credit for purposes of computing gross revenue.

1. **No change.**

2. Each licensee shall:

(a) Document, prior to extending credit, that it:

(1) through (7) **No change.**

(8) In the case of third party checks for which cash, chips, or tokens have been issued to the patron or which were accepted in payment of another credit instrument, has examined and has recorded the patron's valid driver's license, or if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks and has, for the check's maker or drawer, performed and documented one of the credit checks set forth in subparagraphs (1) through (6);

(9) In the case of guaranteed drafts, has complied with the issuance and acceptance procedures prescribed by the issuer.

(b) **No change.**

(c) **No change.**

3. through 10. **No change.**

(Adopted: 10/87. **Amended: 5/03** [Effective: 1/88].)

6.125 through 6.180 **No change.**