



Mille Lacs Band of Ojibwe Indians
Gaming Regulatory Authority
Detailed Gaming Regulations

REVENUE ACCOUNTING

Document No. DGR – 18a

Effective: July 6, 2011

I. BINGO.

Section 1. Accounting/audit standards.

- A. Accounting/auditing procedures must be performed by associates who are independent of the associates who performed the transactions being reviewed.
- B. All accounting/audit procedures and actions must be documented (e.g., log, checklist, investigations and notation on reports) and maintained for inspection.
- C. Accounting/audit procedures must be performed reviewing transactions for relevant accounting periods, including a 24-hour accounting period and reconciled in total for those time periods.
- D. Accounting/audit procedures must be performed within seven days of the transaction's occurrence date being reviewed.
- E. Accounting/audit procedures must be in place to review variances related to bingo accounting data.
- F. At least monthly, an accounting/audit associate must confirm that the appropriate investigation has been completed for the review of variances exceeding \$10.00.

Section 2. Audit tasks to be performed for each day's business.

- A. Records of bingo card sales must be reviewed for proper authorization, completion and accurate calculations.
- B. Records of voided bingo cards must be reviewed for proper authorization and completion.
- C. Use of controlled forms must be reviewed to ensure each form is accounted for.
- D. Ensure promotional coupons which are not financial instruments are properly cancelled to prevent improper recirculation.

Section 3. Statistical reporting.

- A. The bingo sales, prize payouts, bingo win, and actual bingo win percentages must be recorded for:
 - 1. Each shift or session;
 - 2. Each day;
 - 3. Month-to-date; and
 - 4. Year-to-date or fiscal year-to-date.
- B. A monthly comparison for reasonableness must be made of the amount of bingo paper sold from the bingo paper control log to the amount of bingo paper sales revenue recognized.
- C. Management associates independent of the bingo department must review bingo statistical information on at least a monthly basis.
- D. Associates independent of the bingo department must investigate any large or unusual statistical fluctuations, as defined by the gaming operation. Such investigations must be documented, maintained for inspection, and provided to the GRA.
- E. The actual bingo win percentages used in the statistical reports should not include operating expenses (e.g., a percentage payment to administrators of inter-tribal prize pools), promotional prize payouts or bonus payouts not included in the prize schedule.

II. PULL TABS.

- Section 1.** At the end of each month, an associate or associates independent of pull tab sales and inventory control shall verify the accuracy of the ending balance in the pull tab control by reconciling the pull tabs on hand.



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Section 2. At least monthly, a comparison for reasonableness shall be made of the amount of pull tabs sold from the pull tab control log to the amount of revenue recognized.

Section 3. Associate(s) independent of pull tab operations shall verify the amount of winning pull tabs redeemed each day.

Section 4. Statistical reporting.

A. Records shall be maintained, which include (for games sold in their entirety) a win-to-write hold percentage as compared to the expected hold percentage derived from the flare. Records shall also include win and write (sales) for each deal or type of game, for:

1. Each shift;
2. Each day;
3. Month-to-date; and
4. Year-to-date or fiscal year-to-date as applicable.

B. A manager independent of the pull tab operations shall review statistical information at least on a monthly basis and shall investigate any statistical fluctuations 3% or greater. These investigations shall be documented, maintained for inspection, and provided to the GRA.

Section 5. If the Gaming Enterprise utilizes electronic equipment in connection with the play of pull tabs, then the following standards shall also apply:

- A. If the electronic equipment contains a bill acceptor, then DGR 16 (as applicable) shall apply.
- B. If the electronic equipment uses a bar code or microchip reader, the reader shall be tested periodically to determine that it is correctly reading the bar code or microchip.
- C. If the electronic equipment returns a voucher or a payment slip to the player, then DGR 11 cashless ticket requirements shall apply.
- D. If the electronic equipment utilizes customer account access cards for activation of play, then account access card standards (DGR 11) shall apply.

III. CARD GAMES.

Section 1. The card games audit shall be conducted by associates independent of the card games department.

Section 2. On a daily basis, audit/accounting associates shall reconcile the amount indicated on the progressive sign/meter to the cash counted or received by the cage and the payouts made for each promotional progressive pot and pool. This reconciliation must be sufficiently documented (including substantiation of differences, adjustments, etc.).

Section 3. The following procedures shall be performed by accounting/audit associates using the appropriate accountability document prepared by the count team members for each day:

- A. Reconcile the dollar amount of drop proceeds to the dollar amount recorded in the applicable accountability document using, if applicable, the transfer forms indicating all transfers in/out of the count room, both during and at the end of the count. Investigate and document any variance noted.
- B. Recalculate card game proceeds (all funds received by the Gaming Enterprise as compensation for conducting the game) in total and by shift.
- C. Verify that the correct total of card game proceeds is recorded in the accounting records.

Section 4. At least monthly, accounting/audit associates shall review all payouts for the promotional progressive pots, pools, or other promotions to determine proper accounting treatment.



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Section 5. At least monthly, accounting/audit associates shall perform procedures to ensure that payouts for the promotional progressive pots, pools, or other promotions are conducted in accordance with conditions provided to the patrons.

Section 6. Daily, accounting/audit associates shall reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.

Section 7. The addition/deletion of points to player tracking accounts authorized by supervisory personnel shall be documented and randomly verified by accounting/audit associates on at least a quarterly basis (this does not apply to the deletion of points related to inactive or closed accounts through an automated process).

Section 8. Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) evidencing the performance of card games audit procedures, the exceptions noted, and the follow-up of all card games audit exceptions shall be maintained.

IV. TABLE GAMES.

Section 1. The accounting and auditing procedures shall be performed by associates who are independent of the transactions being audited/accounted for.

Section 2. Evidence of table games auditing procedures and any follow-up performed shall be documented and maintained for inspection.

Section 3. A daily recap shall be prepared for the day and month-to-date, which shall include the following information:

- A. Drop;
- B. Win; and
- C. Gross revenue.

Section 4. Monthly, accounting/auditing associates shall reconcile gross revenue from the general ledger to the month-end daily table games recap.

Section 5. The following procedures shall be performed by accounting/auditing associates using the master game summary prepared by the count team associates for each day:

- A. Reconcile the dollar amount of currency drop proceeds on the master games summary to the dollar amount recorded in the applicable accountability document using, if applicable, the transfer forms indicating all transfers in/out of the currency count room, both during and at the end of the count. Investigate and document any variance noted.
- B. Recalculate win/loss in total and by shift on a daily basis.
- C. For computerized master game summaries that compute win/loss, accounting associates shall recalculate win/loss in total and by shift for at least one day each month.
- D. Verify that the correct total of win/loss on the master games summary is recorded in the accounting records.
- E. Examine documents for propriety of signatures.

Section 6. If a table game has the capability to determine drop (e.g., bill-in/coin-drop meters, bill acceptor, computerized record, etc.) the dollar amount of the drop shall be reconciled to the actual drop by shift. An investigation shall be performed for each table having an unresolved variance in excess of \$200 between actual cash and the automated recordings. The investigation performed by accounting/auditing associates and results of investigation shall be documented and maintained.



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Section 7. Accounting/auditing associates shall review exception reports for all computerized table games systems at least monthly for propriety of transactions and unusual occurrences. The review shall include, but not be limited to, void authorizations.

Section 8. All noted improper transactions or unusual occurrences shall be investigated with the results documented and maintained.

Section 9. The following procedures shall be performed on fill/credit slips by accounting/audit associates:

- A. For manual fill/credit slips, for at least one day per month, reconcile the original slip (placed in the table game drop box) to the restricted copy to verify that the dollar amount of the transaction is the same on both parts of the slip.
- B. For manual fill/credit slips, for at least one day per month, verify that all numerically numbered slips issued are properly accounted for. Investigations shall be performed for all slips that are unaccounted for with the investigation being documented.
- C. For at least one day per month, foot (add up) the original slips (placed in the table game drop box) and trace the total to the total fill/credit amounts indicated on the master game summary prepared by the count team members. If the reconciliation results in a variance, an investigation shall be performed to determine whether all forms are accounted for with the investigation being documented.
- D. For each day, examine a sample of slips for propriety of signatures and proper completion.

Section 10. The following procedures shall be performed on voided fill/credit slips by accounting/audit associates after the soft count process for each day:

- A. Examine all voided forms for proper authorization and “void” designation;
- B. For fill/credit computer systems, trace the voided form to computer system report(s) reflecting void activity;
- C. For fill/credit computer systems, examine the computer system report(s) reflecting void activity for void transactions that are not supported by a voided form.
- D. Determine that all parts of the voided form have been received.
- E. Examine form for the proper number of signatures.

Section 11. At least monthly, accounting/auditing associates shall review all contests, tournaments, drawings, and giveaway programs to confirm proper accounting treatment and proper table games gross revenue win/loss computation.

Section 12. Daily, accounting/audit associates shall reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.

Section 13. When payment is made to the winners of a contest/tournament, accounting/audit personnel shall reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made. This reconciliation is to determine whether, based on the entry fees collected, the payouts made and amounts withheld by the gaming operation, if applicable, were distributed in accordance with the contest/tournament rules.

Section 14. Statistical reporting.

- A. Records shall be maintained by day and shift indicating any single-deck blackjack games that were dealt for an entire shift.
- B. Records reflecting hold percentage by table and type of game shall be maintained by:
 1. Shift;
 2. Day;



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3. Cumulative month-to-date; and
4. Cumulative year-to-date.
- C. This information shall be presented to and reviewed by management independent of the pit department on at least a monthly basis.
- D. The management in Subsection XIV(c) of this Section shall investigate any unusual fluctuations in hold percentage with pit supervisory Associates.
- E. The results of such investigations shall be documented, maintained for inspection, and provided to the GRA Board.

V. GAMING MACHINES.

Section 1. Gaming machine accounting/auditing procedures shall be performed by associates who are independent of the transactions being reviewed.

Section 2. For weigh scale and currency interface systems, for at least one drop period per month accounting/auditing associates shall compare the totals on the weigh scale report/currency counter report to the system generated count as recorded in the gaming machine statistical report. Discrepancies shall be resolved prior to generation/distribution of gaming machine reports.

Section 3. Accounting/auditing associates shall review exception reports for all computerized gaming machine systems, inclusive of server-based games and server-supported games, on a daily basis for propriety of transactions and unusual occurrences. Alternatively, associates not authorized to add, delete or change game programs may perform the review.

Section 4. For other than server-based games, procedures shall be performed on a random sampling basis (at least 3% of the gaming machines at each Gaming Enterprise, if applicable.) at least monthly to verify that the gaming machines are accurately reporting data to the computerized casino accounting system and to verify the continuing accuracy of the coin-in meter readings as recorded in the final gaming machine statistical report.

Section 5. For server-based games, procedures shall be performed on a random sampling basis (one gaming machine) at least monthly to verify that the gaming machines are accurately reporting data to the computerized casino accounting system and to verify the continuing accuracy of the coin-in meter readings as recorded in the final gaming machine statistical report.

Section 6. At least annually, accounting/auditing associates shall randomly verify that EPROM or other equivalent game software media changes are properly reflected in the gaming machine analysis reports or equivalent.

Section 7. The following procedures shall be performed by accounting associates for each day:

- A. Review the following gaming machine payout (includes promotional payouts) and fill forms for proper completion:
 1. All computer payout and fill forms prepared as a result of a computer system override.
 2. If the reconciliation results in a variance, an investigation shall be performed to determine whether all forms are accounted for with the investigation being documented.
 3. A sample of computer payout and fill forms.
 4. All voided sequentially-numbered payout forms.
- B. For a manual payout process, reconcile the gaming machine payout and fill forms as follows:
 1. Foot (add up) the payout and fill forms and trace to the total payout and fill amounts recorded on the cage accountability documents.



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2. If the reconciliation results in a variance, an investigation shall be performed to determine whether all forms are accounted for with the investigation being documented.
 3. Verify that the correct total payout and fill amounts are recorded in the accounting records.
- C. For one cashier, foot (add up) the cash-out tickets redeemed and trace the totals to the corresponding amount recorded in the computerized casino accounting system and to the amount recorded in the applicable cashier's accountability documents.
- D. Reconcile all parts of the form used for increases/decreases to bank accountability inventory (includes gaming machine booths, change banks, and any other gaming machine accountability areas), investigate any variances noted, and document the results of such investigations.
- E. The following procedures are performed using the count document completed by the count team members:
1. Reconcile the dollar amount of coin/currency drop proceeds on the count sheet to the dollar amount recorded in the appropriate cage/ vault accountability document. Additionally, transfer forms documenting transfers in/out of the hard and currency acceptor count rooms during the count, if applicable, shall be considered in the reconciliation. Investigate and document any variance noted.
 2. Verify that the correct totals of coin/currency drop proceeds on the count sheet are recorded in the accounting records.
 3. Examine for propriety of signatures.
- F. Compare the dollar amount of issued, voided, and redeemed cash-out tickets to the unpaid and expired cash-out tickets dollar amount using the reports generated by the computerized casino accounting system for reasonableness. Investigate and document any variance noted. Examine paid expired cash-out tickets for proper authorization and documentation pursuant to DGR 11 requirements for cashless tickets.
- G. Reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.
- H. When payment is made to the winners of a contest/tournament, reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made. This reconciliation is to determine whether based on the entry fees collected, the payouts made and the amounts withheld by the Gaming Enterprise, if applicable, were distributed in accordance with the contest/tournament rules.
- Section 8.** At least monthly, accounting/audit associates shall perform the following:
- A. Foot (add up), for at least one day, the computer payout and fill forms and compare the total to the amount recorded in the computer system payout and fill reports.
 - B. Reconcile gross revenue from the monthly gaming machine summary report to the general ledger. Any variances between the gross revenue recorded in the monthly gaming machine summary report and the general ledger should be identified by documenting the reason for the variance. This reconciliation is documented and maintained.
- Section 9.** At least once a quarter, for each kiosk, accounting/audit associates shall foot (add up) the cash-out tickets redeemed for a week (or one drop period if dropped more frequently) and trace the totals to the totals recorded in the computerized casino accounting system and the related accountability document. This procedure may be performed for different kiosks throughout the



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quarter as long as each kiosk is examined once a quarter. The audit and the results of investigations into all variances shall be documented by kiosk.

Section 10. At least monthly, accounting/audit associates shall review all contests, tournaments, promotional payouts, drawings, and giveaway programs to determine proper accounting treatment and proper gaming machine gross revenue win/loss computation.

Section 11. All gaming machine auditing procedures and any follow-up performed shall be documented and maintained for inspection.

Section 12. Statistical reporting.

A. For gaming machine analysis reports, the following standards shall apply;

1. A gaming machine analysis report shall be generated at least monthly summarizing month-to-date, year-to-date, and if practicable, life-to-date gaming machine performance by machine to include the following data:
 - a. Denomination or an indication that the gaming machine is multi-denomination;
 - b. Gaming machine number and game type;
 - c. Coin in;
 - d. Metered or actual drop (if system is configurable);
 - e. Actual jackpot payouts;
 - f. Actual fills;
 - g. Statistical win;
 - h. Theoretical hold percentage;
 - i. Actual hold percentage;
 - j. Percentage variance (theoretical hold vs. actual hold); and
 - k. Projected dollar variance.
2. The drop and payout activity shall include:
 - a. The payout activity represents only gaming machine payouts associated with the manufacturer's pay table. Payouts and fills recorded in the gaming machine analysis reports shall include promotional payouts and/or bonus payouts when the payouts are reflected on the pay table and included in the calculation of the theoretical hold percentage.
 - b. The drop activity for gaming machines recorded in the gaming machine analysis reports shall include all amounts placed into bill acceptors and coin in drop buckets.
 - c. The gaming machine statistical win recorded in the gaming machine analysis report may or may not equal the amount of assessable gross revenues reported in accordance with 25 CFR §514.1.
3. Report(s) shall be generated which includes all gaming machines including gaming machines not in communication with a computerized casino accounting system.
4. The theoretical hold percentages used in the gaming machine analysis reports shall be within the performance standards set by the manufacturer and shall not include other fees (e.g. a percentage payment to operators of inter-casino linked gaming machines).
 - a. For single pay table gaming machines with identical game programs, the theoretical hold percentage used for like gaming machines in the gaming machine analysis reports shall be the same theoretical hold percentage. When a range of theoretical hold percentages is provided by a manufacturer for a single pay table, the theoretical hold percentage used shall be consistent among the gaming machines.



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- b. The optimum hold percentage may be used for skill based game pay tables.
 5. The theoretical hold percentage used in the gaming machine analysis report shall represent theoretical performance of the pay table and shall exclude promotion payouts and bonus payouts not included in the pay table.
 6. Each change to a gaming machine's theoretical hold percentage, including adding and/or changing progressive percentage contributions, shall require the use of a new theoretical hold percentage. When such changes are made, the gaming machine shall be treated as a new gaming machine in the gaming machine analysis reports with a new theoretical hold percentage.
 - a. For multi-game and/or multi-denomination gaming machines, a new gaming machine number is required when the entire library of pay tables within a machine is replaced with a new library of pay tables.
 - b. A new gaming machine is not required when a new theoretical hold percentage is calculated as a result of a correction of an inaccurate par percentage.
 7. Promotional payouts and/or bonus payouts, not reflected on the pay table and/or not included in the calculation of the theoretical hold percentage, shall not be included in gaming machine statistical win for statistical performance purposes in the gaming machine analysis reports. However, these payouts may be included on the gaming machine analysis reports as a separate disclosure for the calculation of assessable gross revenue in accordance with 25 CFR §514.1.
 8. The statistical reports shall be reviewed by both gaming machine department management and associates independent of the gaming machine department on at least a monthly basis.
 9. On a monthly basis, management independent of the gaming machine department shall investigate year-to-date variances 3% or greater between theoretical hold and actual hold, by gaming machine and by denomination. The findings of this investigation shall be documented no later than 30 days after the generation of the gaming machine analysis report, maintained for inspection, and provided to the GRA.

VI. CAGE.

Section 1. The cage accountability shall be reconciled to the general ledger at least monthly.

Section 2. For at least one day each month, accounting/audit associates shall trace the amount of cage deposits to the amounts indicated in the bank statements.

Section 3. For at least two days each year, a count shall be performed of all funds in all gaming areas (i.e. cages, vaults and booths (including reserve areas), kiosks, cash-out ticket redemption machines, and change machines. Do not include table inventories or gaming machine hopper funds. Count all chips and tokens by denomination and type. Count individual straps, bags, and imprest banks on a sample basis. Trace all amounts counted to the amounts recorded on the corresponding accountability forms to ensure the proper amounts are recorded. Maintain documentation evidencing the amount counted for each area and the subsequent comparison to the corresponding accountability form. The count shall be completed within the same gaming day for all areas.



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A. Counts shall be observed by an associate independent of the department being counted. It is permissible for the associate responsible for the funds to perform the actual count while being observed.

B. Internal audit may perform and/or observe the two counts.

Section 4. At least annually, select a sample of invoices for chips and tokens purchased and trace the dollar amount from the purchase invoice to the accountability document that indicates the increase to the chip or token inventory to ensure the proper dollar amount has been recorded.

Section 5. For each business year end, create and maintain documentation evidencing the amount of the chip/token liability, the change in the liability from the previous year, and explanations for adjustments to the liability account including any adjustments for chip/token float.

Section 6. For at least one day each month, accounting/audit associates shall review a sample of returned checks to determine that the required information was recorded by cage personnel when the check was cashed.

Section 7. Accounting/audit associates shall review exception reports for all computerized cage systems (e.g., fill/credit systems) at least monthly for propriety of transactions and unusual occurrences. The review shall include, but is not limited to, voided authorizations. All noted improper transactions or unusual occurrences identified shall be investigated with the results documented.

Section 8. At least monthly, accounting/audit associates shall review all promotional payments, drawings, and giveaway programs to verify proper accounting treatment and proper win/loss computation.

Section 9. For all promotional payments, drawings, and giveaway programs the following documentation shall be maintained:

A. Copies of the information provided to the patrons describing the promotional payments, drawings, and giveaway programs (e.g., brochures, flyers);

B. Effective dates; and

C. Accounting treatment, including general ledger accounts, if applicable.

Section 10. At least monthly, accounting/audit associates shall perform procedures to ensure that promotional payments, drawings, and giveaway programs are conducted in accordance with information provided to the patrons.

Section 11. Daily, accounting/audit associates shall reconcile all parts of forms used to document increases/decreases to the total cage inventory, investigate any variances noted, and document the results of such investigations.

Section 12. All cage auditing procedures and any follow-up performed shall be documented and maintained for inspection.

VII. COMPLIMENTARY SERVICES OR ITEMS.

Section 1. The internal audit or accounting departments shall review the reports required in paragraph DGR 14 III at least monthly.

VIII. DROP AND COUNT.

Section 1. Unannounced currency counter and currency counter interface (if applicable) tests shall be performed by associates independent of the cage, vault, count team, table games and gaming machines departments (as applicable) on at least a quarterly basis with the test results documented



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and maintained. All denominations of currency and all types of cash out tickets counted by the currency counter must be tested. This test may be performed by internal audit or the GRA. The result of these tests shall be documented and signed by the associate or associates performing the test.

Section 2. Unannounced weigh scale and weigh scale interface (if applicable) tests shall be performed by an associate or associates independent of the cage, vault, and gaming machine departments and count team at least quarterly with the test results being documented and maintained. This test may be performed by internal audit or the GRA. The result of these tests shall be documented and signed by the associate or associates performing the test.

History. Approved by the Gaming Regulatory Authority on July 6, 2011. Effective date July 6, 2011.