

2011 Permittee Annual Financial Statement-EZ Instructions

WHO CAN USE AFS-EZ?

Fill out the eligibility section to find out if your organization is eligible to use this form. Generally, if your gaming activities are limited to bingo, pull-tabs or raffles, and the total gross sales are under \$20,000, you may use this form. If you answer "yes" to any of the questions, you are not allowed to use AFS-EZ. You must use Form 833 for your Annual Financial Statement. After you have answered these questions and completed Steps 1 and 2, you still must use the long form if adjusted gross income for any activity (Page 2, line 4) is negative (prizes paid out are more than the gross receipts). Please note you must do Steps 1 and 2 even if you use the long form—this is not any extra work for you. If you answered "no" to all of the eligibility questions and are eligible to use this form, follow the instructions below.

Bingo and Pull-Tab Reporting. You must use accrual accounting to report self-directed bingo and pull-tab activity. You may wish to consult an accounting professional to prepare your books before starting this report. **See 15 AAC 160.830.**

Order of Completion. The following steps outline the general order for completion of the form. Please read all of the instructions before you begin.

Step 1. Getting Ready to Prepare the Report. Prior to filling out this form, someone must summarize all the deposits to the gaming account and checks written from that account according to the kind of income (sale of raffle tickets or pull-tabs, for example) and the type of expense (printing raffle tickets or purchase of pull-tab games, etc.). If your organization needs assistance in summarizing the gaming account deposits and checks issued during the year, please refer to the instructions for the Quarterly report. If any gaming receipts were deposited to another account in error, or if any gaming expenses were paid from a different account, those receipts and expenses should be added to the totals (for the type of income or expense) from the gaming checking account summary.

Step 2. Computation of Adjusted Gross Income, Schedule AP, Page 2. Enter the total income from the gaming activities your group conducted on line 1, in the appropriate column. The total income from bingo or pull-tabs is the amount you deposited to the gaming account, plus the cash prizes you paid out from sales receipts. Add pull-tab playbacks to both the income and cost of prizes to report. The total income from raffles will be the amount deposited to your gaming account, because the prize should have been purchased with a gaming check (or it may have been contributed). Report any excise tax paid on your gaming activity on line 2. Report the 3% pull-tab tax on Schedule C below. Enter the amount of prizes

that you paid out for each activity on line 2. [Remember to add the playbacks to the pull-tab prizes.] Subtract lines 2 and 3 from line 1 and enter the amount on line 4. Add the amounts on line 4 for all activities and enter the total in Column D, line 4. Enter the amount from line 4, Column D, on Page 1, line 1. If the adjusted gross income (line 4) for any of your gaming activities is negative (the prizes paid out are more than the gross receipts), stop here. You must use the long form.

Step 3. Computation of Expenses, Schedule C, Page 2. Enter the totals from your summary for each gaming expense. "Other expenses" may be deducted only if they are directly related to operation of games. List all such expenses on a separate sheet of paper, attach the sheet to the Annual Financial Statement and enter the total for each activity on line 13. Add the expenses for each gaming activity and enter the totals on line 14, Columns A, B or C.

Step 4. Computation of Net Proceeds, Schedule AP, Page 2. For all activities, enter the expense totals from Schedule C, line 14, in Schedule AP, line 5. Subtract the expense amounts on line 5, for each activity, from line 4 and enter the results in line 6. For each line, add the amounts in each column and enter the result in Column D. Enter the net proceeds amount from Column D, line 6, on Page 1, line 2. Note regarding gaming expenses and bingo prizes: Permittees are required to report all gaming expenses and bingo prizes even if they exceeded percentage limitations.

Step 5. Donations of Net Proceeds, Schedule E. Enter the recipient, purpose, check number, date and amount for each check written to use net proceeds. Add the amounts and enter the total on the last line of the schedule and on Page 1, line 8. If you need additional space, attach another sheet of paper with all the requested information recorded for each check written.

Step 6. Pull-Tab Report Attachment, Schedule D. Enter the requested information about pull-tab games played during the year. The report is intended only to report those games that were closed during the year. The information can be found on each invoice you received from the distributor when you purchased a pull-tab game.

Step 7. Gaming Account Balance, Page 1. Enter the reconciled ending balance for the Games of Chance and Skill checking account (gaming account), as of the end of the prior year, on line 3. Enter the net proceeds amount from Page 1, line 2, on line 4. Enter any interest paid by the bank on your gaming account on line 5. (The interest earned for the year should be on the bank statement for December of this year.) Enter other deposits to the gaming account on line 6. Any entry on line 6 must be explained—attach a detailed schedule of the deposits and an

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explanation on a separate sheet. Add lines 4 through 6 and enter the result on line 7. Enter total donations (uses) of net proceeds, from Page 2, Schedule E, on line 8. Enter any other disbursements or reductions to the gaming account on line 9. Any entry on line 9 must be explained—attach a detailed schedule of the reductions and an explanation on a separate sheet. Add lines 8 and 9, and enter the result on line 10. Add lines 3 and 7, subtract line 10, and enter the result on line 11. This amount should agree with the reconciled balance of the gaming account at the end of the year. December 31 bank statements and reconciliations for the report year and prior year must be submitted with the forms.

Step 8. Sign and Mail the Report. The member in charge, the president or treasurer, and the paid preparer (if any) must sign the report. The report should be mailed to the address at the top of the form. It is due by March 15 of the year following the permit year. The report must be filed on time. If it is not, all gaming activities must stop until the report is filed.