

INSTRUCTIONS FOR THE NGC-36 FORM

You may use any order you wish to enter locations on the NGC-36 form. However, we suggest that you group locations by type of license and type of agreement. Thus, the four main groups would be (1) restricted space lease, (2) restricted participation, (3) nonrestricted space lease and (4) nonrestricted participation. Within each group, you may want to sort the locations alphabetically.

- Location Number:** This is the Nevada Gaming Control Board Location Number. It is provided on our website and on our online tax form filing system. Many locations have the same or similar names. Refer to the address and city fields to be sure that you have the correct location number.
- Name and Address:** Enter the location's name and address as indicated in the list of locations. For chain stores (7-11's, etc.), please use the store number as licensed.
- Ownership:** If the Operator of a Slot Machine Route ("SRO") owns a percentage or a related party (such as parent corporation) owns a percentage of all the business where the machines are operated, enter the percentage of ownership rounded to the nearest whole percentage point. If the SRO or a near party does not have an ownership interest in the business, enter zero. If the ownership is by a related party, please mail to the Tax and License Division or email (ngctaxforms@gcb.nv.gov) a separate schedule indicating the related party or parties by location.
- Space Lease:** Enter "S" for a space lease operation. This is one in which the SRO holds the license. The SRO may pay the location a fixed rent or a rent based on revenue (with proper approval).
- Participation:** Enter "P" for a participation operation. This is one in which the location holds the license and the SRO and the location share the revenue.
- Days in Operation:** If you operated in the location for the entire period (cannot exceed 92 days), enter the number of days in the period. If you operated in the location for less than the entire period, enter the number of days that you operated.
- End of Quarter (EOQ):** Indicate by YES or NO if your company was operating machines at this location on the last day of the period covered by this report.
- Primary/Secondary:** Primary or Secondary SRO at the location. In some locations one SRO may have space lease or participation rights to the location (primary operator) but a secondary SRO is responsible for the drops, fills, jackpots, and machine maintenance. If this is the case, for your involvement in the location, enter "P" or "S" as appropriate. If your company alone operates the machines, enter "P". Note: this is reference to the specific machines that are showing revenue in the coin-in, drop, and win fields. It does not refer to other machines at the location which may be run by another SRO or by the location itself.
- Space Lease Rent:** If no space lease rent was paid by the SRO to the location, enter zero. This is generally the case for participation agreements. If you paid rent to the location, enter the prorated amount for the period. Do not include any proration to "signing bonuses." Signing bonuses will be accounted for separately on your standard financial statement. Example: if the rent is \$20,000 per year and a \$10,000 signing bonus was given, you would ignore the signing bonus and enter \$5,000, one fourth of the annual payment.

Total \$ Win Retained by SRO: The computation of this column should be drop, less jackpots, regular machine fills and share of the revenue given to the location that is not related to the sale of slot machines. Do not deduct initial machines fills, splits with the location for bucket sales of machines or complimentary. Bucket sales and complimentary will be accounted for separately on your standard financial statement.

Fees Paid by SRO: For each type of fee listed, enter the amount of the (fee that you paid). Do not include any portion, which was paid by the location, or any penalty amount. Regardless of when the fee is actually paid, account for the fee as if it was paid on the first day of the period for which the fee covers. Refer to examples at the end of these instructions for more information.

The final four fields must be segregated by denomination (\$0.05, \$0.25, \$1.00 and Other).

Avg. # of Machines Operated During Period: Report the weighted average number of machines operated during the period. Round to the nearest tenth (.1).

<u>Date Range</u>	<u>Denomination</u>	<u># of Machines</u>
July 1 through July 30	\$ 0.05	10
July 31 through September 30	\$ 0.05	5
July 1 through July 30	\$ 0.25	5
July 31 through September 30	\$ 0.25	10

There are 92 days in this period (31+31+30).

Average # of \$0.05 machines =
 $(10 \times 30)/92 + (5 \times 62)/92 = 6.6$

Average # of quarter machines =
 $(5 \times 30)/92 + (10 \times 62)/92 = 8.4$

Please note:

For restricted locations, the total number of machines should not exceed 15.

Total Coin-in In Dollars: Report the total dollar coin-in by denomination.

Total Drop In Dollars: Report the amount removed from each drop bucket and/or currency counter by machine denomination before any splits.

Total Win In Dollars: Report the drop less hand paid jackpots and regular machine fills. Do not subtract initial machine fills or splits of any nature.

Examples
of proper accounting for fees paid by SRO

State Annual Fees Example #1

You have one slot machine on a space lease agreement on July 1. You pay \$250 for this machine on June 20. You then add one machine on January 1 and pay \$125 for the additional machine on December 20. On the NGC-36 form, under State Annual fees paid by SRO you would enter:

<u>NGC-36 Period</u>	<u>State Annual Fees Paid by SRO</u>
July 1 through September 30	\$ 250.00
October 1 through December 31	\$ 0.00
January 1 through March 31	\$ 125.00
April 1 through June 30	\$ 0.00

State Annual Fees Example #2

Assume the same as above, except that the agreement is a 50-50 participation for both win and taxes. You would then enter only the taxes that you paid (1/2). The entries would be:

<u>NGC-36 Period</u>	<u>State Annual Fees Paid by SRO</u>
July 1 through September 30	\$ 125.00
October 1 through December 31	\$ 0.00
January 1 through March 31	\$ 62.50
April 1 through June 30	\$ 0.00

State Quarterly Fees Example #3

You operate 3 machines under a space lease agreement between 7/1/13 and 3/31/14. On 4/1/14 you increase to 4 machines. On 7/1/14 you increase to 5 machines. Your payments for these machines are:

<u>Paid</u>	<u>Effective Date</u>	<u>Amount Paid</u>	<u>NGC-36 Period</u>
6/25/13	7/1/13	\$81 times 3 = \$243.00	7/1/13 through 9/30/13
9/25/13	10/1/13	\$81 times 3 = \$243.00	10/1/13 through 12/31/13
12/26/13	1/1/14	\$81 times 3 = \$243.00	1/1/14 through 3/31/14
3/25/14	4/1/14	\$81 times 4 = \$324.00	4/1/14 through 6/30/14
6/25/14	7/1/14	\$81 times 5 = \$405.00	7/1/14 through 9/30/14

State Quarterly Fee Example #4

Assume the same as above, except that the agreement is 50-50 participation for both win and taxes. You would then enter only the taxes that you paid (1/2). The entries would be:

<u>Paid</u>	<u>Effective Date</u>	<u>Amount Paid</u>	<u>NGC-36 Period</u>
6/25/13	7/1/13	\$40.50 times 3 = \$121.50	7/1/13 through 9/30/13
9/25/13	10/1/13	\$40.50 times 3 = \$121.50	10/1/13 through 12/31/13
12/26/13	1/1/14	\$40.50 times 3 = \$121.50	1/1/14 through 3/31/14
3/25/14	4/1/14	\$40.50 times 4 = \$162.00	4/1/14 through 6/30/14
6/25/14	7/1/14	\$40.50 times 5 = \$205.50	7/1/14 through 9/30/14

State Percentage Fees

When the location is a restricted location (15 machines or less) you always enter zero since restricted locations do not pay a percentage fee on slot machine win.

For nonrestricted locations use the following table:

<u>Month Covered by NGC-01</u>	<u>NGC-36 Period to Use</u>
January, February, March	January 1 through March 31
April, May, June	April 1 through June 30
July, August, September	July 1 through September 30
October, November, December	October 1 through December 31