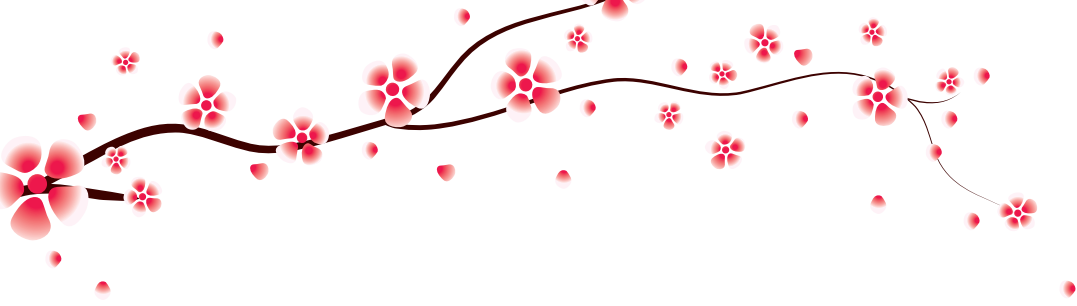


INTRODUCING THE NEW  
DC **LOTTERY**  
LOTS OF PEOPLE WIN

FY2011  
ANNUAL  
REPORT



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# Innovation is the Hallmark of the New DC Lottery



Fiscal Year 2011 was a year marked by innovation at the D.C. Lottery and Charitable Games Control Board (DCLB). With the introduction of a new, state-of-the-art gaming system, DCLB leveraged its products and business acumen to deliver profits to the city and entertainment value to its customers.

Positioned in the most unique city in the world between two thriving lottery jurisdictions, the D.C. Lottery is challenged to stand out from the crowd and cut through the clutter. All this while delivering revenue, awarding winners, partnering with local businesses, and supporting nonprofit organizations with charitable gaming initiatives.

Reflecting on Fiscal Year 2011, our efforts to increase sales successes were rewarded, even when uncertain economic conditions persisted. We shattered our instant ticket sales record, reaching an all-time high of \$56.1 million. This growth in instant ticket sales contributed to an overall sales increase reversing a long-term trend of declining sales over the previous five fiscal years. As a result, new sales in Fiscal Year 2011 reached over \$231.7 million with more than \$62 million being transferred to the District of Columbia General Fund.

Guided by our mission to raise revenue for services benefitting the residents of the District of Columbia, Fiscal Year 2011 introduced a new D.C. Lottery -- an agency that remains steadfast in its purpose and at the cusp of gaming innovation.



**Buddy Roogow**  
*Executive Director*



**Dr. Natwar M. Gandhi**  
*Chief Financial Officer*



**Vincent C. Gray**  
*Mayor*



# New Gaming System Ushers In New Opportunities

In November 2010, one month into the fiscal year, DCLB upgraded its technology with the launch of a state-of-the-art gaming system. The new platform offered a sleek, modest design and enhanced business analytics and efficiency. It also improved customer service features and expansion of the D.C. Lottery brand and products to new social retailer settings that were previously out of reach. Armed with new capabilities, the agency delivered to consumers a more robust gaming portfolio that began a trend of sustainable momentum in sales growth.



## D.C. LOTTERY LOGO REFRESHED

In 1986, the D.C. Lottery opened its doors to the playing public with a logo that represented an attribute unique to the city: the cherry blossom. In 1912, the people of Japan sent 3,020 cherry trees to the United States as a gift of friendship. One hundred years later, residents and visitors to the Nation’s Capital flock to the city’s Tidal Basin during the annual Cherry Blossom Festival.



1986

The D.C. Lottery logo is an artistic representation of the popular cherry blossom and is well-recognized across the city. Along with the new gaming system, DCLB unveiled a ‘refreshed’ logo that maintained the well recognized cherry blossom with a cleaner and more pronounced look.



2011

# A Robust Gaming Portfolio Yields Positive Growth

The foundation of the D.C. Lottery is its games. Having the ability to adjust the gaming portfolio to meet market trends and player demands is a critical element for sustained growth.

In Fiscal Year 2011, the D.C. Lottery introduced new games into the marketplace and employed creative, attention-grabbing promotions designed to be attractive to existing players, generate interest in potential players, and create more winning ambassadors for our products.

## HORSE RACING RETURNS TO D.C.



Washington, D.C. has a rich history in horseracing, now revitalized electronically with the introduction of DCLB's first fast-paced, animated horse racing game. The launch of Race2Riches® was seamless, allowing players to watch and immediately know if they're winners. Retailers with space for players to view the races were outfitted with large screen monitors. While every licensed agent sells Race2Riches, those with monitors typically have higher sales.

As a monitor game slated to perform well in social settings, DCLB developed a program to reach out to players in restaurants, bars, and cafes. "D.C. Lottery After-Dark" parties were hosted during happy hour at retailers throughout the city to introduce patrons to the game and capitalize on the entertainment value in a group setting. The launch of Race2Riches and sustained level of play in FY11 generated \$470,000 in revenue for the General Fund.

## REVAMPING KENO INVITES MORE PLAY



D.C. KENO™ is a player favorite at the D.C. Lottery, offering rapid drawings, immediate results, and layers of winning experiences. With Race2Riches joining the portfolio of monitor games with inviting animation sequences, KENO was revamped to keep pace with the quality and variety players expect.

New scenes were developed that were appealing and entertaining, in both traditional retailer locations and new social settings. KENO's new look and ongoing popularity contributed to the \$2.16 million generated for the General Fund.

## DC FAST PLAY OFFERS THE BEST OF BOTH WORLDS



Fiscal Year 2011 marked a milestone in D.C. Scratchers sales at the D.C. Lottery, proving that players also enjoyed the instant wins along with the ever-popular online numbers games. To leverage this new development within the player universe, the D.C. Lottery introduced to its portfolio “D.C. Fast Play,” an online game that features an instant win. This game functions like the numbers games with the added capability of rapidly creating new games with different play styles, price points, and prize levels.



In April 2011, *Tic Tac Rock* (\$2), *Break the Bank* (\$2), *Red Hot Numbers* (\$1), and *Wild Cherry Slots* (\$1) were the flagship games to launch this new type of game play. D.C. Fast Play offers players the chance to “feel the thrill of winning instantly” by printing a ticket from the retailer terminal and playing like an instant scratch ticket. With Fast Play, D.C. Lottery players know instantly if they are a winner. Prizes range from \$2 to \$25,000.

In a little more than six months, D.C. Fast Play transferred \$385,000 to the General Fund.



# DC Scratchers Sales Break Records and Exceed Expectations

The gem of Fiscal Year 2011 was the instant ticket product line. D.C. Scratchers surpassed sales forecasts to reach a record high of \$56.10 million. A review of the instant scratch ticket games portfolio revealed a winning formula of attractive designs, appealing prizes, and strategic promotions, all contributed to the most successful year of D.C. Scratchers sales in the history of the D.C. Lottery and \$5.7 million in revenue to the General Fund.

## A GOLDEN OPPORTUNITY

Building on the success of *District of Columbia Black*, the agency launched *District of Columbia Gold*, also a \$20 Scratcher with two \$1 million top prizes. To sustain the momentum in the \$20 Scratcher category, a third million dollar prize was added through a second chance contest along with 12 monthly drawings for a \$5,000 gold package and a Golden Getaway Package to Las Vegas, Nevada; San Francisco, California; or Hollywood, California.

An eager and excited winner emerged at a Washington Nationals baseball game honoring military families, fueling sales of the *District of Columbia Gold* Scratcher. Dubbed “The Golden Boy,” Timothy Ruch, a U.S. Air Force serviceman, won the first \$1 million *Gold* ticket prize and garnered nationwide earned media coverage about becoming an instant millionaire.

A key driver of *District of Columbia Gold* Scratcher sales was engaging players through social media, including a partnership with a local entertainment source to host an afterhours *Gold* experience geared to our emerging market of trendy city dwellers at select venues.

## GOLD COMMUNITY SERVICE AWARD HONORS GIVING



**Brenda Jones**, Executive Director of **Parklands Community Center** in Southeast, was the first D.C. Lottery Gold Community Service Award winner.

The Nation’s Capital is home to hundreds of national and local nonprofits, and ripe with individuals who selflessly offer talents in service to others. In recognition of that service, the D.C. Lottery used the launch of the *Gold* Scratcher and created the Gold Community Service Award as a platform to showcase individuals in Washington, D.C. who work to improve the lives of others.

Honorees in FY11 were:

**Brenda Jones**, *Parklands Community Center*

**Greggory Hammond**, *Guitars Not Guns*

**Senta Smith**, *Southeast Community Activist*

**Danny Bates**, *Barry Farms Recreation Center*

## DUBBLE BUBBLE DOUBLER: THE PERFECT PARTNER TO THE WASHINGTON NATIONALS

By the second quarter of Fiscal Year 2011, DCLB Scratcher sales were on the rise and paving the way for *Dubble Bubble Doubler*. This nostalgic \$5 scratch-n-sniff ticket with two \$50,000 top prizes and a third \$50,000 prize with the second chance drawing was an instant success. J. Anthony Jackson of Northeast, Washington, D.C. was the first \$50,000 *Dubble Bubble Doubler* instant scratch ticket winner, declaring that he bought the ticket because it “smelled like bubble gum.”

To keep the ticket top-of-mind, DCLB introduced Pud, the *Dubble Bubble Doubler* icon. Pud brought the *Dubble Bubble Doubler* Scratcher to life in the city at Washington Nationals games, radio stations, and outdoor events, offering free Dubble Bubble bubble gum. Pud and *Dubble Bubble Doubler* were the perfect pairing to the Washington Nationals and supported promotional efforts at baseball games that included selling the Scratcher onsite for chances to win cash in the famous D.C. Lottery *Money Machine*.



## DC GOLD AWARDS SHOWCASE DC'S BEST BETS



Options for dining, exercising, and entertainment are plentiful in Washington, D.C., and residents often rely on recommendations from trusted sources. Capitalizing on the popularity of the *District of Columbia Gold* Scratcher, the D.C. Lottery polled its players and fans on a range of businesses including the best pizza, the best gym, the best barbershop, and the best grocery store. The result was increased engagement with our audiences and positive exposure with the emerging market and local business owners.



# Second Chance Opportunities Extend Play and Winning Experiences

Supporting the momentum of the record-breaking D.C. Scratcher sales, the D.C. Lottery extended the play experience and the range of the prizes with second chance opportunities. Player participation in second chance opportunities is an indication of the popularity of a game, as well as the interest in a prize offering. In Fiscal Year 2011, games with high participation rates were also best-sellers.



## BETTY BOOP RE-EMERGES WITH RAVE REVIEWS

In January 2011, *Betty Boop*<sup>™</sup> was added to the D.C. Lottery Scratcher portfolio with a \$2 price point and an \$8,000 top prize. Again, the second chance promotion pushed sales to exceed expectations, offering \$1,000 gift cards for the entry of three nonwinning tickets.

An easy promotional opportunity, the iconic *Betty Boop* character greeted players at high profile events, and the second chance opportunity was timed to take advantage of the Valentine's Day holiday.



*Betty Boop comes to life at the 2011 Washington Auto Show.*

## THE PINK PANTHER RETURNS

Leading the way in FY11 was the *Pink Panther*<sup>TM</sup> Scratcher. This was the second time DCLB launched *Pink Panther* (\$2); yet, in this fiscal year, there was the added benefit of a second chance drawing. Players entered their nonwinning tickets online for a chance to win \$250 gift cards, swag bags, and a grand prize trip for two to Beverly Hills, California, with accommodations at the Beverly Hills Hilton, also known as “The Pink Palace.”

The *Pink Panther* second chance drawing marked another milestone for the agency: this was the first second chance promotion with a virtual online game as the entry vehicle for the contest. Players entered their nonwinning tickets online, leading to a game to locate hidden Pink Panthers in the scene for multiple entries into the contest. The online feature was well-received, resulting in a record number of entries.

Leveraging the popularity of the *Pink Panther* Scratcher and the overwhelming appeal of the second chance online promotion, the agency sought to further engage players through social media channels, including a photo contest on Facebook and a city-wide promotional tour with the Pink Panther character. The success of the *Pink Panther* social media campaign made an impression in the public relations industry and was recognized for its excellence with a 2011 PRSA Capital Award of Merit.



**During the Pink Panther city tour, D.C.'s coolest cat poses with a fan Southwest.**

*Winners of the Pink Panther Second Chance Drawing received a \$250 MasterCard to use at the store of their choosing. To say thank you to our loyal players, DCLB also presented the winners with a gift bag filled with Pink Panther giveaways. A few of the Pink Panther winners were lucky enough to meet the city's coolest cat. (see opposite page)*





**Audrey Frazier**



**Alvin Catlett**



**Muriel Braxton**



**Robert Void**



**D.C. Lottery players show off their Pink Panther Scratchers**

## LOTS OF PEOPLE WIN!

The D.C. Lottery's slogan is "Lots of People Win," and in FY11, lots of players won lots of money. They herald from neighborhoods across the region, have different backgrounds and play various games. But, their commonality is obvious: they're D.C. Lottery winners.

The biggest winners of Fiscal Year 2011 were our two millionaires. Chaoqun Zheng and Timothy Ruch each won \$1 million with \$20 D.C. Scratchers. Zheng won with *District of Columbia Black*, while Ruch won with *District of Columbia Gold*. Reaffirming that *Lots of People Win with the D.C. Lottery*, these are a few of the many winners who collectively won \$125.9 million in cash and prizes from the D.C. Lottery:



\$250,000 Mega Millions winner **Annja Stoudmire** with D.C. Lottery's Executive Director **Buddy Roogow**.



**Tim and Emily Ruch** won \$1 million playing District of Columbia Gold.





A father of twins, **Troy Howard**, was very excited to win \$25,000 with the popular DC 5 game.



**Donald and Tina Hackett** are one lucky couple. They won a \$200,000 POWERBALL® prize.



Diamonds & Pearls may be a girl's best friend, but for **Michael Avant**, they were worth \$100,000!



"I was trying to win a \$100 gas card," said **Andrewnette Martin**, who won a 2011 Toyota Prius in the D.C. Lottery's Washington Auto Show Second Chance Drawing.



The third ticket was the charm for **Amanuel Gebre**, who bought three Super Red Hot Cash D.C. Scratchers. With the third one, he scratched his way to winning the \$100,000 top prize instantly.



Substitute teacher **Clifton McCray** got a huge surprise at the end of the school year. He won \$40,000 playing D.C. KENO™, enabling him to relax and enjoy the summer break.



**Kevin Matthews** always adds Sizzler to his Hot Lotto® bet, making his \$10,000 win worth a grand total of \$30,000.



With five winning tickets in hand, each worth \$5,000, **Pamela Hairston's** DC 4 cash prize totaled \$25,000.



Native Washingtonian **Ella Tinker** won the top prize of the D.C. Scratcher Right on the Money - \$50,000!



# D.C. Lottery Intervenes and Offers Winning Experiences

“Need a lottery intervention?” Using everyday dilemmas faced by the playing public, from broken grocery bags to difficult parking situations, the D.C. Lottery tapped into the humanity of everyday life and delivered the “Intervention” campaign as the cornerstone of marketing efforts in Fiscal Year 2011. Locally produced Intervention commercials, print advertisements, point-of-sale collateral and public relations linked all lottery products to the Intervention umbrella campaign and enhanced its brand awareness.

*Building on the momentum of the Intervention campaign, the D.C. Lottery reached out to the Washington, D.C. community asking folks to share stories on why a lottery intervention was needed. Meet a few of our Intervention winners.*



**Michaelynn Ware**



**Wanda**



*At the Friendship Heights Post Office, a passer-by receives a D.C. Lottery “Intervention”.*



**Alisha Berry**

# D.C. Lottery Pursues Social Settings for Retailer Expansion

Restaurants, bars, cafes and lounges started offering their patrons something new in Fiscal Year 2011: D.C. Lottery games. A new gaming system enabled DCLB to diversify its portfolio and offer a new range of games to its players. With this new system the agency implemented a recruitment campaign to license businesses in social settings as D.C. Lottery retailers to reach a wide-ranging demographic within the city limits.

Dupont Circle's Soho Tea & Coffee and H Street's Twelve Lounge were great spots to host After Dark parties featuring Race2Riches® and D.C. KENO™. During early evening hours, DCLB staff and lottery ambassador Alena 7 demonstrated how to play and generated excitement about the monitor games. For players who like fast-paced and visually appealing games, social settings provide the perfect atmosphere to dine, spend time with friends and play D.C. Lottery games from the convenience of a table, booth or bar stool. The combined efforts of our traditional retailer base and new social settings yielding retailer commissions of more than \$14.7 million.

New retailers in social settings include, but are not limited to:

- Wazobia Restaurant
- The Dancing Crab
- Elk's Lodge
- Ireland's Four Fields
- Eclipse
- Charlie Chang's
- Café International
- Chalins
- Trio Fox and Hound

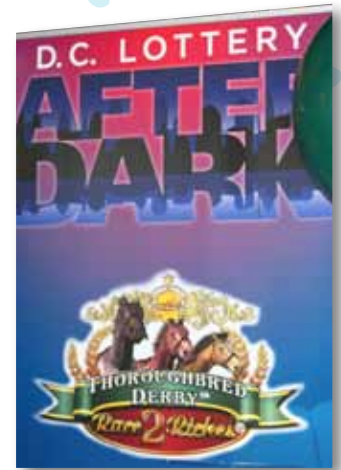


# Promotional Strategies Yield Positive Results

## MONITOR GAMES AN EASY FIT IN SOCIAL SETTINGS

As DCLB recruited retailers in social settings, the agency needed to familiarize those new to D.C. Lottery promotions and focus efforts on educating new players about its products, including Race2Riches® and D.C. KENO™. While Race2Riches was a brand new game introduced with the launch of the new gaming system in the first quarter of the fiscal year, D.C. KENO was an existing product that received a facelift to remain competitive.

With the state-of-the-art gaming system in place, KENO received five rotating scenes: playing cards, aquarium, drawing machine with balls and two different matrix designs. At dance halls, restaurants and take out spots, players could now play a fast-paced monitor game, watch the results and check their tickets.



*D.C. Lottery hosts After-Dark parties to introduce monitor games, Race2Riches, and D.C. KENO to a whole new audience.*



D.C. Lottery		2/14/2012 16:04		Draw #904267					
1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48	49	50
51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80



## LUCKY LOTTERY MOBILE

On the heels of the food truck phenomenon in Washington, D.C., DCLB went mobile with its Lucky Lottery Mobile (LLM), the agency's version of a food truck to reach consumers in highly populated areas. The appropriately visible lime green truck was introduced as a pilot program to generate more interest in the D.C. Lottery by offering convenience to players.

From the Lucky Lottery Mobile, D.C. Lottery players could purchase from the full suite of DCLB products with additional gift-with-purchase specials. Travelling around the nation's capital, the LLM became a recognized and celebrated feature, appearing at the following events:

- Safeway Barbeque Battle
- Truckeroo
- Lucky Lottery Lemonade Day
- Lucky Lottery Pay Day
- Adams Morgan Day Festival
- D.C. United Latin Festival
- Lucky Lottery Sports Day

In Fiscal Year 2011, DCLB challenged the norm and executed new promotional strategies to generate interest in lottery games, feature winners, and promote retailers, resulting in \$231.7 million in revenue and transferring \$62 million to the District of Columbia's General Fund.



### D.C. LOTTERY LIVE DRAW

DCLB added a little spice to the Safeway National Barbeque Battle by hosting live the mid-day drawing onsite at the event. With Radio One host Mike Chase serving as talent, D.C. Lottery and Barbeque Battle fans were treated to an unprecedented event and a welcome addition to the line-up.



## MONEY MACHINE DRAWS CROWDS, PRODUCES INCREMENTAL SALES

Early in the fiscal year, DCLB leveraged its sponsorships, expanded its reach and boosted sales by hosting *Money Machine* events at the Verizon Center during select Washington Capitals and Washington Wizards games and at Washington Nationals Stadium. By featuring preselected games based on sales goals with the added \$10,000 *Money Machine* featured opportunity, DCLB provided an incremental sales boost, strengthened its entertainment value and influenced public perceptions about the lottery.



*The Money Machine was a big hit with basketball, hockey, and baseball fans.*



At Washington Nationals Park, **David A. Lynd** holds the big check with D.C. Lottery's Chief of Marketing **Sandra Mitchal**. With 30-seconds inside the Money Machine, he managed to catch \$2,210.



D.C. Lottery player, Capitals fan, and Money Machine winner **Nick Milich**. He won \$2,390 inside the Money Machine.





**Chris Burke** with Executive Director **Buddy Roogow** at the Verizon Center. Inside the Money Machine, he grabbed \$1,195.00 in cash.



At Washington Nationals Park, **James Jules** enjoyed the game and 30 seconds inside the Money Machine, where he won \$920.



A D.C. Lottery and Washington Capitals fan, **Gerry Mypanga** bought a \$5 D.C. Scratcher and was the Money Machine winner of the night. She won \$1,595.



**Kevin Kline** is all smiles with D.C. Lottery Executive Director **Buddy Roogow** at a Wizards game, where Kline emptied \$1,590 out of his pockets after being inside the Money Machine.

# D.C. Lottery Firmly Positioned in the Age of Engage with Social Media

Solidly into the Age of Engage, DCLB recognized the importance of reaching and engaging players where they are; and today, they are on the Internet. With vast numbers of business, social networking, video, and picture sharing websites, as well as an endless number of gaming sites, DCLB captured and maintained the interest of its players through social media channels. Facebook, Twitter, YouTube, D.C.'s Best Bets blog, and Foursquare are the vehicles that DCLB uses to speed down the digital highway. The social media platform supported campaigns, offered incentives to reinforce the marketing effort, served as a customer service tool for responding to inquiries, and allowed for information sharing to keep players informed of D.C. Lottery initiatives.



## STAY CONNECTED

The D.C. Lottery is excited to provide you five more ways to receive the information you want WHEN you want it.

TEXT ALERTS



RSS FEEDS



FACEBOOK FAN



TWITTER



D.C. LIVE



# DCLB Generates Added Value in Community Sponsorships

Every year, the D.C. Lottery demonstrates its commitment to the Washington, D.C. community by sponsoring events that support a range of activities. In Fiscal Year 2011, the agency continued its commitment to making the District of Columbia a better place to live, work, and visit. Sponsorships included:

- 1st Annual African American Heritage Tour
- Nation's Triathlon
- Bike to Work Day
- Cherry Blossom Tree Planting
- Washington Auto Show
- Centronia 2010 Gala Awards
- RAMMY Awards
- Family Matters Benefit & Awards Event
- 2011 H Street Festival
- National Get Outdoors Day
- Safeway National Barbeque Battle



*D.C. Lottery's **Angela Copeland** as Money Honey at the National Barbecue Battle.*



*Two guests at D.C. Lottery's Movie Nite "Intervention" event.*



*Director of Communications and Marketing **Kevin Johnson** with D.C. Council Chairman **Kwame Brown** at Bike to Work 2011.*



*At the National Barbecue Battle, MegaBall and PowerBall remind visitors to play the jackpot games.*

# Charitable Gaming Meets the Needs of Nonprofits



Year-round nonprofit organizations provide assistance, services, and support to men, women, children, and families. From educational scholarships to medical research to veterans outreach, community groups that help those in need use charitable gaming fund-raising as a vehicle to maintain and strengthen their financial health. In the District of Columbia, the D.C. Lottery and Charitable Games Control Board is the government agency that licenses nonprofit organizations to hold charitable gaming activities. During FY11, charitable groups, combined, hosted 186 raffles, Monte Carlo Night Parties, and Texas Hold ‘Em Tournaments, while five bingo halls conducted the game regularly to raise a total of \$3.3 million through charitable gaming activities.

Since its inception, DCLB has issued charitable gaming licenses. Thanks and appreciation is extended to community associations that have regularly held charitable gaming fund-raising events for many years, and welcome to the first-timers. They are:

## RAFFLES

Comfort for American Uniformed Services  
Mamie D. Lee PTA  
DC Scores  
Crittenton Services of Greater Washington  
Yu Ying Public Charter School  
Abraham Laura Lisner Home  
Crusader Baptist Church  
Legacy Inc.  
Jr. Tennis Champion  
South Washington West of the River  
The Kosciuszko Foundation  
Oldies but Goodies Cocker

## MONTE CARLO NIGHT PARTIES, INCLUDING TEXAS HOLD ‘EM POKER TOURNAMENTS

Dreams for Kids  
The Arlington Alexander Coalition  
Greater Washington Jump start  
World Arts Focus  
DC Speed  
National Forum for Black Public Administrators  
Future Next Corporation  
Building Better Environments  
The Charles Drew Memorial Scholarship Fund  
Reach Education Inc.

## BINGO

Metropolitan Community Church  
Monarch Ankore Institute





*Fight Night 2011*



# Agent Plus Locations Offer Convenience to Players



Retailer locations have always been an option for winners to validate and claim prizes of less than \$600, while the agency's Claim Center at 2000 14th Street, NW in the Frank D. Reeves Municipal Building is for winners of \$600 or more. In FY11, DCLB set a goal to make claiming prizes more convenient for winners by making select retailers 'Agent Plus' locations. These are designated locations where players can cash prizes up to \$5,000 during those retailers' hours of operation, including weekends. This gives players the flexibility to receive their prize at a local business in closer proximity and various hours of operations. The six Agent Plus retailers are:

- 4 Seasons Convenience, 4975 South Dakota Ave., NE
- Avondale Coffee, 1909 Michigan Ave., NE
- Barmy Liquors, 1912 L St., NW
- Patron Convenience, 3235 Pennsylvania Ave., SE
- Takoma Park Liquors, 6200 Eastern Ave., NE
- Tenley Market, 4326 Wisconsin Ave., NW

DCLB also added another location for claiming prizes – its headquarters. Located in historic Anacostia, players who win \$200,000 or more now visit the agency's main office to validate and claim their prize, allowing DCLB to provide those high-tier players with an exclusive winning experience.



Sales Coordinator **Shirelle Howze** with a D.C. Fast Play winner during an in-store promotion at Subway Liquors.



Tenley Mart owner **Lucy Park** with D.C. Lottery Executive Director **Buddy Roogow** at the Agent Plus celebration at her store.

# Play Responsibly

# PLAY RESPONSIBLY

DCLB wants all players to enjoy playing and winning D.C. Lottery games, while keeping in mind that lottery games are a form of entertainment and not a financial investment. As a member of the business community, the D.C. Lottery recognizes its social responsibility to the players and residents of the District of Columbia. With its Play Responsibly program, DCLB provides a free helpline and referral service for those who may be exhibiting compulsive gambling behaviors. Call the helpline at 1-800-522-4700 for more information.



# Financial Statements for 2011

## GOVERNMENT OF THE DISTRICT OF COLUMBIA LOTTERY AND CHARITABLE GAMES CONTROL BOARD

### STATEMENT OF NET ASSETS

SEPTEMBER 30, 2011 AND 2010

(Dollar Amounts in Thousands)

<b>Assets</b>	<u>2011</u>	<u>2010</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 9,982	\$ 10,858
Accounts receivable	5,442	4,969
Prepaid expenses and other	10	7
Restricted investments	6,878	6,873
<b>Total current assets</b>	<u>22,312</u>	<u>22,707</u>
<b>Non-current assets:</b>		
Capital assets, net	478	579
Restricted investments	16,034	22,345
<b>Total non-current assets</b>	<u>16,512</u>	<u>22,924</u>
<b>Total assets</b>	<u>\$ 38,824</u>	<u>45,631</u>
 <b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,495	\$ 2,221
Compensation liabilities	840	838
Deferred revenues	208	152
Accrued prizes and commissions	8,318	8,052
Other accrued liabilities	1,072	1,239
Obligations for unpaid prizes - current portion	6,878	6,873
<b>Total current liabilities</b>	<u>18,811</u>	<u>19,375</u>
Obligations for unpaid prizes – noncurrent portion	16,034	22,345
<b>Total liabilities</b>	<u>34,845</u>	<u>41,720</u>
 <b>Net Assets</b>		
Invested in Capital assets, Net of Related Debt	478	579
Unrestricted	3,501	3,332
<b>Total net assets</b>	<u>\$ 3,979</u>	<u>\$ 3,911</u>



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**LOTTERY AND CHARITABLE GAMES CONTROL BOARD**  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
YEARS ENDED SEPTEMBER 30, 2011 AND 2010  
*(Dollar Amounts in Thousands)*

	2011	2010
<b>Operating revenues:</b>		
Gaming revenues	\$ 231,749	\$ 230,159
<b>Operating expenses:</b>		
Prizes	125,860	118,932
Agent's commissions	14,769	14,478
Contractor fees	11,277	12,767
Advertising	5,684	5,148
Administration	11,767	11,918
Amortization and depreciation	169	150
<b>Total operating expenses</b>	<b>169,526</b>	<b>163,393</b>
Operating Income	62,223	66,766
Nonoperating revenues - interest and dividends	20	25
Income before transfers	62,243	66,791
Transfers to District General Fund	(62,175)	(66,750)
<b>Change in net assets</b>	<b>68</b>	<b>41</b>
<b>Net assets, beginning of the year</b>	<b>3,911</b>	<b>3,870</b>
<b>Net assets, end of the year</b>	<b>\$ 3,979</b>	<b>\$ 3,911</b>

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
 LOTTERY AND CHARITABLE GAMES CONTROL BOARD**

STATEMENT OF CASH FLOWS  
 YEARS ENDED SEPTEMBER 30, 2011 AND 2010

*(Dollar Amounts in Thousands)*

	2011	2010
<b>Operating activities:</b>		
Cash receipts from customers	\$ 231,041	\$ 232,001
Cash receipts from others	292	453
Cash payments to vendors	(22,602)	(22,494)
Cash payments to employees	(7,020)	(7,014)
Cash payments for prizes and commissions	(140,363)	(132,793)
<b>Net cash provided by operating activities</b>	61,348	70,153
Capital and related financing activities - acquisition of fixed assets	(69)	(250)
Non-capital financing activities - transfers out	(62,175)	(66,750)
Investing activities - interest and dividends	20	25
Net increase in cash	(876)	3,178
Cash and cash equivalents - beginning of year	10,858	7,680
Cash and cash equivalents - end of year	\$ 9,982	\$ 10,858
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 62,223	\$ 66,766
Amortization and depreciation	169	150
Decrease (increase) in assets:		
Receivables	(473)	2,323
Inventory	-	-
Prepaid expenses	(3)	1
Increase (decrease) in liabilities:		
Accounts payable	(726)	(251)
Compensation liabilities	2	74
Deferred revenue	56	(28)
Accrued prizes	266	617
Other current liabilities	(166)	501
<b>Net cash provided by operating activities</b>	\$ 61,348	\$ 70,153

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**LOTTERY AND CHARITABLE GAMES CONTROL BOARD**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED SEPTEMBER 30, 2011 AND 2010  
*(Dollar Amounts in Thousands)*

**2011**

	D.C. Three	D.C. Four	Powerball	Keno	Hot Lotto	Daily 6	D.C. Five	Mega Millions	Race 2 Riches	Fast Play	Instant Games	Others	Total
Gaming Revenues	\$ 53,383	\$ 65,368	\$ 13,923	\$ 11,545	\$ 3,324	\$ 486	\$ 12,877	\$ 8,685	\$ 3,675	\$ 2,085	\$ 56,106	\$ 292	\$231,749
Prizes	(26,395)	(32,711)	(6,548)	(7,362)	(1,603)	(113)	(5,191)	(4,480)	(2,494)	(1,379)	(37,584)	-	(125,860)
Agents Commissions	(3,448)	(3,840)	(750)	(783)	(188)	(27)	(714)	(466)	(252)	(145)	(4,156)	-	(14,769)
<b>Gross Margin</b>	<b>\$ 23,540</b>	<b>\$ 28,817</b>	<b>\$ 6,625</b>	<b>\$ 3,400</b>	<b>\$ 1,533</b>	<b>\$ 346</b>	<b>\$ 6,972</b>	<b>\$ 3,739</b>	<b>\$ 929</b>	<b>\$ 561</b>	<b>\$ 14,366</b>	<b>\$ 292</b>	<b>\$ 91,120</b>
Transfers	\$ 17,075	\$ 21,615	\$ 5,075	\$ 2,165	\$ 1,210	\$ 305	\$ 5,590	\$ 2,585	\$ 470	\$ 385	\$ 5,700	\$ -	\$ 62,175

**2010**

	D.C. Three	D.C. Four	Powerball	Keno	Hot Lotto	Daily 6	Rolling Cash 5	D.C. Five	Mega Millions	Raffle	Instant Games	Others	Total
Gaming Revenues	\$ 56,361	\$ 68,619	\$ 20,175	\$ 12,582	\$ 2,871	\$ 3,382	\$ -	\$ 11,392	\$ 4,313	\$ 39	\$ 49,972	\$ 453	\$230,159
Prizes	(29,166)	(28,563)	(9,321)	(7,983)	(1,378)	(1,325)	246	(5,270)	(2,230)	(60)	(33,882)	-	(118,932)
Agents Commissions	(3,696)	(3,844)	(1,072)	(848)	(164)	(202)	12	(624)	(231)	(2)	(3,807)	-	(14,478)
<b>Gross Margin</b>	<b>\$ 23,499</b>	<b>\$ 36,212</b>	<b>\$ 9,782</b>	<b>\$ 3,751</b>	<b>\$ 1,329</b>	<b>\$ 1,855</b>	<b>\$ 258</b>	<b>\$ 5,498</b>	<b>\$ 1,852</b>	<b>\$ (23)</b>	<b>\$ 12,283</b>	<b>\$ 453</b>	<b>\$ 96,749</b>
Transfers	\$ 16,450	\$ 27,625	\$ 7,025	\$ 2,500	\$ 1,000	\$ 1,525	\$ 255	\$ 4,325	\$ 1,200	\$ -	\$ 4,845	\$ -	\$ 66,750

**2009**

	D.C. Three	D.C. Four	Powerball	Keno	Hot Lotto	Daily 6	Rolling Cash 5	D.C. Five	Raffle	Instant Games	Others	Total
Gaming Revenues	\$ 60,831	\$ 79,908	\$ 33,003	\$ 12,578	\$ 3,831	\$ 3,957	\$ 2,713	\$ 2,908	\$ -	\$ 45,253	\$ 388	\$245,370
Prizes	(27,504)	(41,890)	(15,557)	(7,762)	(1,872)	(1,596)	(1,351)	(1,212)	-	(29,314)	-	(128,058)
Agents Commissions	(3,869)	(4,558)	(1,899)	(840)	(219)	(238)	(168)	(160)	-	(3,365)	-	(15,316)
<b>Gross Margin</b>	<b>\$ 29,458</b>	<b>\$ 33,460</b>	<b>\$ 15,547</b>	<b>\$ 3,976</b>	<b>\$ 1,740</b>	<b>\$ 2,123</b>	<b>\$ 1,194</b>	<b>\$ 1,536</b>	<b>\$ -</b>	<b>\$ 12,574</b>	<b>\$ 388</b>	<b>\$101,996</b>
Transfers	\$ 21,770	\$ 23,145	\$ 11,025	\$ 2,625	\$ 1,200	\$ 1,610	\$ 860	\$ 805	\$ -	\$ 5,735	\$ -	\$ 68,775

This table provides a comparison of sales, prizes, agent commissions, gross margin, and transfers to the District's General Fund generated by each lottery product offered.



