

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OFFICE OF LOTTERY AND CHARITABLE GAMES**  
**STATEMENTS OF NET POSITION**  
**AS OF SEPTEMBER 30, 2018 and 2017**  
*(Dollar Amounts in Thousands)*

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 12,804	\$ 12,150
Accounts Receivable, net	3,880	3,859
Prepaid Expenses and Other	2	2
Restricted Investments	<u>410</u>	<u>410</u>
Total Current Assets	<u>17,096</u>	<u>16,421</u>
<b>Non-current Assets:</b>		
Capital Assets, net	646	350
Restricted Investments	<u>1,137</u>	<u>1,529</u>
Total Non-current Assets	<u>1,783</u>	<u>1,879</u>
Total Assets	<u>18,879</u>	<u>18,300</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	2,168	2,746
Compensation Liabilities	328	292
Unearned Revenue	44	39
Accrued Prizes and Commissions	9,324	7,518
Other Accrued Liabilities	317	723
Compensated Absences	33	18
Obligations for Unpaid Prizes - Current Portion	<u>410</u>	<u>410</u>
Total Current Liabilities	<u>12,624</u>	<u>11,746</u>
<b>Non-current Liabilities:</b>		
Obligations for Unpaid Prizes - Noncurrent Portion	1,137	1,529
Compensated Absences	<u>458</u>	<u>428</u>
Total Non-current Liabilities	<u>1,595</u>	<u>1,957</u>
Total Liabilities	<u>14,219</u>	<u>13,703</u>
<b>Net Position</b>		
Net Investment in Capital Assets	646	350
Unrestricted	<u>4,014</u>	<u>4,247</u>
Total Net Position	<u>\$ 4,660</u>	<u>\$ 4,597</u>

*The accompanying notes are an integral part of these financial statements.*

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OFFICE OF LOTTERY AND CHARITABLE GAMES**  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED SEPTEMBER 30, 2018 and 2017  
*(Dollar Amounts in Thousands)*

	<u>2018</u>	<u>2017</u>
<b>Operating Revenues</b>		
Instant Games	\$ 49,493	\$ 50,318
Terminal Games	160,766	168,391
License and Permit Fees	<u>5</u>	<u>23</u>
Total Operating Revenues	<u>210,264</u>	<u>218,732</u>
<b>Operating Expenses</b>		
Prizes	117,365	130,035
Agent Commissions	13,766	14,409
Contractor Fees	6,798	6,907
Advertising	<u>6,393</u>	<u>6,504</u>
Total Direct Costs	144,322	157,855
Salaries	7,887	7,030
Professional	954	658
Contractual Services	4,313	4,368
Administration	3,813	3,211
Depreciation	<u>108</u>	<u>119</u>
Total Operating Expenses	<u>161,397</u>	<u>173,241</u>
<b>Operating Income</b>	48,867	45,491
Interest and Dividend Income	253	192
Other Income	<u>443</u>	<u>-</u>
<b>Net Income Before Transfers</b>	49,563	45,683
Transfer to General Fund	<u>(49,500)</u>	<u>(45,600)</u>
<b>Change In Net Position</b>	63	83
<b>Net Position, Beginning of Year</b>	<u>4,597</u>	<u>4,514</u>
<b>Net Position, End of Year</b>	<u><u>\$ 4,660</u></u>	<u><u>\$ 4,597</u></u>

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**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**OFFICE OF LOTTERY AND CHARITABLE GAMES**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2018 and 2017**  
*(Dollar Amounts in Thousands)*

	<u>2018</u>	<u>2017</u>
<b>Operating Activities:</b>		
Cash Receipts from Customers	\$ 210,241	\$ 218,386
Cash Receipts from Others	6	215
Cash Payments to Vendors	(22,812)	(21,360)
Cash Payments to Employees	(7,805)	(6,976)
Cash Payments for Prizes and Commissions	(129,325)	(144,943)
<b>Net Cash and Equivalents Provided by Operating Activities</b>	<u>50,305</u>	<u>45,322</u>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Transfers Out to the General Fund	(49,500)	(45,600)
<b>Cash Flows From Capital Financing Activities</b>		
Acquisition of Capital Assets	(404)	(139)
<b>Cash Flows From Investing Activities</b>		
Interest and Dividends	253	192
<b>Net (Decrease) Increase in Cash and Equivalents</b>	654	(225)
Cash and Cash Equivalents - Beginning of Year	12,150	12,375
Cash and Cash Equivalents - End of Year	<u>\$ 12,804</u>	<u>\$ 12,150</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>		
Operating Income	\$ 48,867	\$ 45,491
Depreciation	108	119
<i>Effect of Changes in non-cash operating Assets and Liabilities</i>		
Other Financial Sources – Prior Period Cost Recovery	442	-
Receivables	(21)	(89)
Prepaid Expenses	-	2
Accounts Payable	(578)	632
Compensation Liabilities	82	54
Unearned Revenue	5	(42)
Accrued Prizes	1,806	(499)
Other Current Liabilities	(406)	(346)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 50,305</u>	<u>\$ 45,322</u>
<b>Non-cash Investing and Financing Activities:</b>		
Obligations for Unpaid Prizes by Restricted Investments	<u>\$ 1,547</u>	<u>\$ 1,939</u>

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