

*25 Winning Years*

D.C. LOTTERY &  
CHARITABLE GAMES CONTROL BOARD

*Celebrates 25 Winning Years*



ANNUAL REPORT | FISCAL YEAR 2007

# opening remarks

The D.C. Lottery and Charitable Games Control Board celebrated 25 years of being D.C.'s Best Bet during fiscal year 2007 in which the agency generated \$257.8 million in revenue and transferred \$65.4 million to the city's General Fund. In total, since its inception in August of 1982, the D.C. Lottery has transferred over \$1.4 billion to the District's treasury. Since the D.C. Lottery opened for business, lucky players have also won more than \$2.3 billion in prizes.

The D.C. Lottery's Silver Anniversary year also marked the second highest prize payout - \$145.3 million led by the DC-4™ game. Players of this four-digit game won a historic 62.4 percent on sales of \$84.6 million.

During the past two and half decades, the D.C. Lottery has also regulated charitable gaming in the District. Throughout the fiscal year, the D.C. Lottery continued to support the community by licensing 192 nonprofit organizations to conduct charitable gaming fund-raising events. For example, Greater DC Cares, a nonmonetary community foundation that helps infuse millions in labor and expertise into this region's nonprofit organizations and public schools, had a Monte Carlo Night Party event that raised \$149,000, while the Cancer



*Left: Jeanette A. Michael, Executive Director*

*Middle: Mayor Adrian M. Fenty*

*Right: Dr. Natwar Gandhi, Chief Financial Officer*

Research and Prevention Foundation held a Texas Hold 'Em event and raised \$244,000.

This commitment of quality service to the Washington, D.C. community is the agency's philosophy, which is evident in the D.C. Lottery's plans to employ the newest technology available anywhere in the lottery industry. With plans to implement a new gaming and communications system fast approaching, technology will now offer new stimulating games and promotions, thereby increasing consumer value and convenience to enhance the buying experience at each agent location. This push for the strategic

execution of leading edge technology is key to the agency's commitment and pledge to deliver excellent service for all D.C. Lottery stakeholders now and in the future.

Reflecting on the past 25 years in business, the D.C. Lottery thanks its agents, Advisory Council, and staff who commit their energy and talent to achieving the core goals of the agency. The enduring success of the D.C. Lottery rests with those who realize that the best bet is going beyond what is simply required and exceeding expectations to improve the quality of life in Washington, D.C.

# now & then

## playing to win

Disbelief, shock, and amazement have played across the faces of lottery winners in the District for two and a half decades. Astonishment and sheer joy have been accompanied with timeless shouts of “I can’t believe it! I’m so excited. I won!” These phrases are among the many exclamations of delight that D.C. Lottery and Charitable Games Control Board players have been saying for 25 winning years.

Fiscal Year 2007, October 1, 2006 – September 30, 2007, was no different. In its Silver Anniversary year, the D.C. Lottery paid out \$145.3 million to lottery winners. In fact, on August 28, 2007, the D.C. Lottery drew a winning raffle ticket that made Sara White the agency’s 48th millionaire. She won the \$1 million grand prize in the D.C. Millionaire Raffle Game. The 35-year District resident said, “I plan to help my five adult children clear up some debt and save the rest for retirement.” White purchased her winning ticket at One Stop Food Mart in Northeast, D.C. and the agent who sold her the ticket, Woo Chan Hong, received a commission check for \$10,000.

White wasn’t the only winner rolling in the proverbial dough. Northwest resident Herman Gray, Jr. won the highest ROLLING CASH 5™ jackpot of the year, \$278,000, for the drawing on October



From left to right: U.S. Courts Federal Judiciary POWERBALL office pool members: Phil McKinney, Randy Singh, Curtis Hoyle, Valerie Lee, John Lalley, Linda King Friedman, Mary Mortellaro, Joe Bossi, and Jerome Patterson.

23, 2006. By the end of the fiscal year, 16 players were jackpot winners.

Two DC Daily 6™ players matched all six numbers to win the top prize of \$250,000. Truck driver Rodney Marshall was one of those winners. When Marshall saw the “see agent” message on the quick checker, he was surprised. “I kept thinking that I had won either \$5,000 or \$250,000 because I knew you had to go to the Claim Center if you won over \$600,” which indeed he did.

While players love ROLLING CASH 5 and DC Daily 6, the lotto-style jackpot games that are played in the District only, they also love the multi-state jackpot games, POWERBALL® and HOT LOTTO®, where they have a chance to win millions. The POWERBALL jackpot starts at \$15 million, and the HOT LOTTO jackpot begins at \$1 million. In fiscal year '07, the POWERBALL jackpot reached a high of \$314 million for the drawing on August

# Online Games



Sarah White of Washington, D.C. receives her ceremonial big check from the D.C. Lottery's Director of Communications and Marketing Kevin Johnson. White won the \$1 million grand prize from the D.C. Millionaire Raffle Game.

## SUMMARY

### Games

DC Lucky Numbers™  
DC-4™

ROLLING CASH 5™  
DC Daily 6™

D.C. Keno™

HOT LOTTO®

POWERBALL®

D.C. Millionaire Raffle Game

### Ticket Sales

\$215.5 million

### Prize Payout

\$118.8 million

### Range of Prizes

\$1 - POWERBALL jackpot

### Transfer to the General Fund

\$60.5 million

playing to win continued...

26, 2007. After the winning numbers were selected, emotions ran high at Georgetown University's Undergraduate Admissions Office where: Kingsley Opoku, Adrienne Draper, Woineshet Yaregal, Erin Krivicky, Tramein Randolph, Elizabeth Admassu, Donna Peterson, Tamatha Robinson, and Melissa Costanzi matched all five white balls to win \$200,000. "Once it sunk in [that we won]," said Draper, "there was a lot of high pitched screaming and jumping up and down." Each person received a check for a little more than \$16,000.

And, as lady luck would have it, another group of nine coworkers in the District also won the second-tier prize of \$200,000



Bennett Craig of Manassas Park, Virginia is the 2007 first-place Washington Auto Show Second Chance Drawing winner. Craig is seated on the hood of his 2007 Chevy Impala.

Though some players want their cash fast, others want to win instantly.

For those people, D.C. Scratchers instant ticket scratch games are literally the ticket to winning...

for the same drawing. At the U.S. Courts Federal Judiciary: Phil McKinney, Randy Singh, Curtis Hoyle, Linda King Friedman, John Lalley, Mary Mortellaro, Joe Bossi, Jerome Patterson, and Valerie Lee participated in an office pool that also had a ticket with five out of the six winning numbers. Naturally, everyone had plans for their money from taking a vacation to home renovations. Yet, King Friedman decided to spend her money on something close to her heart. Along with paying tithes, she built a well in Africa for children who need sanitary drinking and bathing water in memory of her husband who had passed away a few months earlier.

Lotto-style games attract attention because of their large jackpots; yet, the three- and four-digit games are the mainstay of the D.C. Lottery's product line. Launched in 1983, DC Lucky Numbers is the agency's first online game. Players can wager .50 cents or one dollar for the chance to win up to \$500. Two years later in 1985, the D.C. Lottery began offering players the chance to win up to \$5,000 with the four-digit game,



Teahan Kim won \$125,000 playing DC-4™

DC-4™. Popular from the start, interest in DC-4 continues as FY '07 sales rose 5.74 percent to \$84.6 million; Teahan Kim of Rockville, Maryland is one of thousands of players who cashed in on their winning numbers throughout the year. He wagered on his favorite DC-4 numbers, 1-2-1-2. "My brother just had a baby, so I decided that I'd play big," said Kim, who played 25 times for the drawing on October 13, 2007. He was so surprised by winning the top prize of \$5,000 multiple times that he didn't leave his house until the following day when he was ready to claim his \$125,000 prize.

On May 5, 2003, the D.C. Lottery added DC KENO™ to its product line for players who want a rapid-draw, fast-paced game. Ruth Monroe of Alexandria, Virginia is one of those people. With DC KENO, Monroe won \$20,000, and said she was going to use her prize money to pay bills.

Though some players like a game's quick tempo, others want to win cash immediately. So, for those individuals, D.C. Scratchers instant ticket scratch games are literally the ticket to winning, and in FY '07, they won \$40.4 million. With price points of \$1, \$2, \$3, \$5, and \$10, D.C. Scratchers prizes vary from \$1 to \$125,000. Michael Katz of Falls Church, Virginia won \$125,000, the grand prize for the \$10 ticket *Cash Bonanza*. *World Class Cash* was the right game for Danny Guzman of Sunderland, Maryland, who won \$100,000, and a hot five dollars for an instant ticket game was all Alecia O'Neil needed to win \$50,000 with the D.C. Scratcher *Blazing Hot Numbers*.

From the first winners in 1982 until the winners of 2007, the D.C. Lottery has been entertaining players with fun and exciting games for 25 years. Congratulations to all of the winners – past, present, and future.



Ruth Monroe of Alexandria, Virginia won \$20,000 playing D.C. KENO™

# D.C. Scratchers



## SUMMARY

### Number of Games in FY '07

40 at price points of \$1, \$2, \$3, \$5, and \$10

### Sales

\$40.4 million

### Prize Payout

\$26.5 million

### Range of Prizes

\$1 - \$125,000

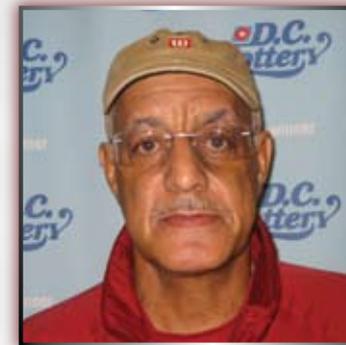
### Transfer to the General Fund

\$5.0 million

# highlighting winners



**Ashley Johnson \$10k**  
*HOT LOTTO®*



**Jerome Hayes \$5k**  
*D.C. Keno™*



**Michael Buchanan \$25k**  
*DC-4™*



**Venice Parker *Money Machine***



**Rodney Marshall \$250k**  
*DC Daily 6™*



**LaJuan Anderson \$5k**  
*World Class Cash D.C. Scratcher*



**Anthony Williams \$75k**  
*ROLLING CASH 5™*



**Deborah Radin \$10k**  
*Bankroll D.C. Scratcher*



**Aleicia O'Neal \$50k**  
*Blazing Hot Numbers D.C. Scratcher*

# agents | summary

**Number of agents** 525

**Total commissions** \$16.0 million

**Commission Structure** Online Tickets: 5% for selling and 3% for cashing tickets up to \$600  
Instant tickets: 5% for selling and 4% for cashing tickets up to \$600



Dave Brown's Liquor's



Wheelan Liquor



Mayfair Liquor



Davis Market



Necessities



One Stop Food Mart

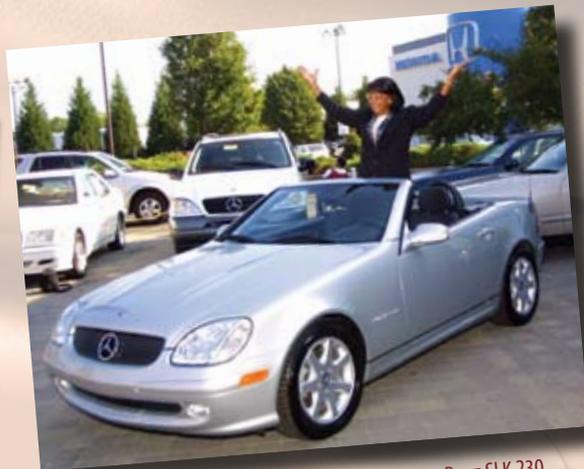


Sportsman Liquor



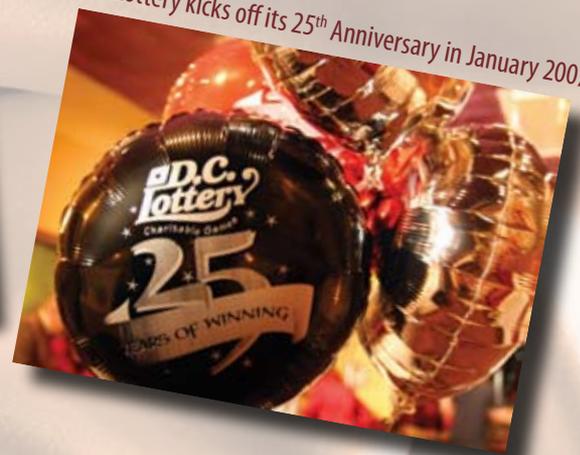
Freedom Citgo

June 4, 1988 at Riverfest, this Grand Prix was the top prize.



Nellie Boone, a HOT FIVE™ player, won a Mercedes Benz SLK 230 convertible. (2002)

D.C. Lottery kicks off its 25th Anniversary in January 2007.



D.C. Lottery employee Lucy Young demonstrates the fun of charitable gaming at the Claim Center's new location opening event. (2000)

# 25th Anniversary

## HISTORY OF D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD



D.C. Lottery Executive Director Jeanette A. Michael congratulates Ishan Khan on winning the POWERBALL® jackpot for \$55.2 million. (2001)

At a news conference, Ronnie S. Ware (center) happily smiles with his big check for \$17 million. He won the POWERBALL jackpot on April 9, 1996.



Valerie Young holds her check of \$250,000. She won the Quick Ca\$h™ grand prize. (1993)

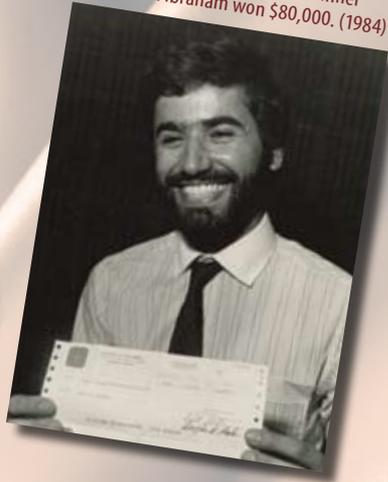


L.P. Medeiros (left) won \$7,000 playing Quick Ca\$h along with the grand prize of \$250,000. (1992)



Negro Leagues Baseball legend, John "Buck" O'Neil helps the D.C. Lottery promote its \$5 Negro Leagues commemorative instant scratch ticket game. (2005)

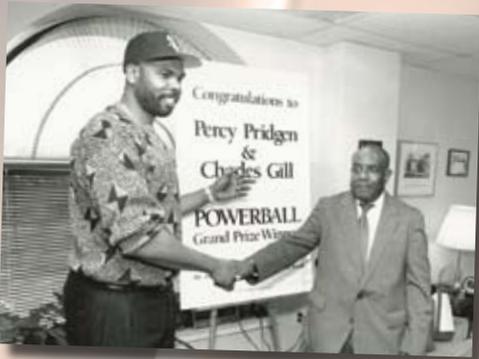
7-11-21 instant scratch ticket winner Hesham F. Ibrahim won \$80,000. (1984)



Quick Ca\$h \$1.5 million winner Todd Zimmerman. (2005)



Mark Newton grabs for cash in the Money Machine. (2004)



Charles Gill (left) and Percy Pridgen each had a winning ticket for the \$90 million POWERBALL jackpot on December 22, 1993.

Elber Diaz (right) poses with his father and brother after winning the \$250,000 Quick Ca\$h grand prize. (1993)



HOT LOTTO™ winner Charles E. Cary, Jr. (center) celebrates his win with his wife and mother-in-law. (2006)



D.C. Lucky Lotto winner Roseanna Broman holds her check for \$48,768.40. (1985)



Barbara Smith bought her Negro Leagues D.C. Scratcher from News 2 U and won the grand prize of \$50,000. (2006)

At the BBQ Battle, players enjoy a game of bingo under the Charitable Gaming tent. (2006)

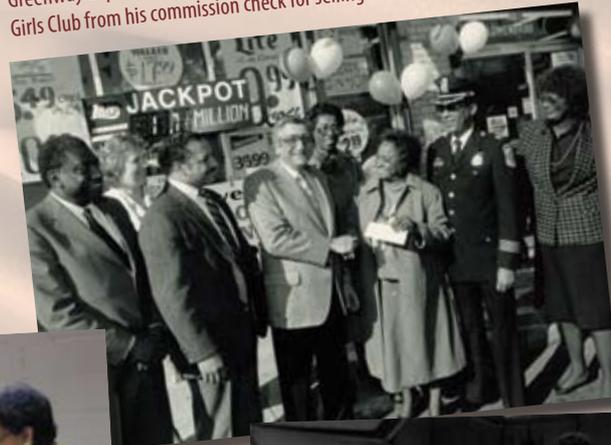


Mayor Sharon Pratt Kelly, Lottery Board Member Paul Kuntzler, and D.C. Lottery Executive Director Anthony S. Cooper present big check of \$48 million for the city's General Fund. (1992)

D.C. Lottery's Chief of Communications Bob Hainey introduces the POWERBALL TV Game Show. (2001)



Greenway Liquors owner Gene Siegel donates \$1,000 to the District's Boys and Girls Club from his commission check for selling a million dollar ticket. (1987)



Frank L. Henry, Jr. and his wife are happy about winning \$1.6 million playing D.C. Lucky Lotto. (1985)



Alan Boyd, Alice Davis, and Dr. Charlene Drew Jarvis participate in a Charitable Gaming Workshop at Southeastern University. (2002)



D.C. Lottery talent Gerard Ender hosts a second chance drawing at the Post Office Pavilion. (1988)



Nanetta Peroti won \$1 million with D.C. Lucky Lotto. (1987)

Owner of Subway Liquors Roland Shaw is happy to hold his ceremonial commission check for \$25,000 for selling a winning POWERBALL jackpot ticket. (1993)



Federal Government employees Rhuben R. Byrd (left) and William P. Walsh shared the D.C. Lucky Lotto Jackpot for \$3.1 million. (1986)



D.C. Lucky Lotto \$1.2 million winner Donal Alexander, Jr. (1987)

United States Senator Judd Gregg (R) of New Hampshire, who won \$853,492 playing POWERBALL, receives a ceremonial Big Check from Marketing and Communications Director Kevin Johnson. (2005)

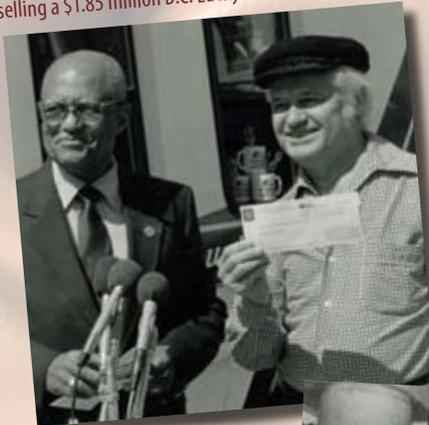


\$1.2 million D.C. Lucky Lotto winner Jacqueline Saunders (2nd from left). (1986)

Ora Lee Brown poses with Lottoman after she won \$10,400 with the instant ticket game 7-11-21. (1984)



Agent Tony Neam (left) receives commission check for selling a \$1.85 million D.C. Lucky Lotto ticket. (1988)



Kee Shin (right), owner of L'Enfant Wine and Beverage, is all smiles about his commission check for \$10,500 from D.C. Lottery Board member Ralph W. Emerson. (1987)



Frances Goodrich won \$1.6 million playing D.C. Lucky Lotto. (1984)

Alonzo and Shirley Richardson pose with ceremonial big check of \$21 million with D.C. Lottery Executive Director Tony Cooper (right). (1994)



D.C. Lottery employees with 20 years of service. From left to right: Alan Boyd, Fran Harris, Cheryl Malone, Jeanette A. Michael, Julia Nestore, Irene Rosenbalm, and Allen Evans. (2002)



\$19.3 million POWERBALL winner Pauline Cappell (second from right) with her husband Lenan. (1996)



Lotto\*America winner Delores Coleman (center). She won \$5.5 million. (1990)

# D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD SALUTES BLACK HISTORY

FROM 1986 - 2007



In 1986, the D.C. Lottery and Charitable Games Control Board decided to honor African Americans with a Black History Month poster. The inaugural version features Sojourner Truth, Colonel Charles Young, Mary Church Terrell, and Oscar DePriest. Through the years, calendars were added, various themes were adopted, and the focus was refined to showcase African Americans with ties to Washington, D.C. Native Washingtonians Duke Ellington, Roger “Buck” Hill, Ronnie Wells, and Davey Yarborough added a high note to the 2007 calendar as it relayed their love for jazz music. The D.C. Lottery’s Black History Calendars have become a mainstay in the community. They are distributed to District of Columbia Public Schools, government agencies, libraries, and community organizations, as well as the public. The calendars are free and proudly displayed at different locations throughout the city.

# *charitable games*

For 25 years, the agency has licensed non-profit organizations to hold charitable gaming events for the purpose of raising money to support programs and services dedicated to helping those in need, whether it is funding medical research, advancing higher education, or supporting youth awards programs. In Fiscal Year 2007, 192 charitable organizations were licensed, and they raised \$4.9 million for a 25-year grand total of \$105 million.

Charitable gaming has flourished in the District since the agency first started with bingo and raffles in 1982. Monte Carlo Night Parties were added in 1988; and, those three games were the mainstay until 2005 when the D.C. Lottery began offering Texas Hold 'Em, a popular style of poker.



**PLAY RESPONSIBLY**

The D.C. Lottery and Charitable Games Control Board functions as a socially responsible business in the Washington, D.C. community and always advocates for people to play within their means. Lottery games are for entertainment and are meant to be fun and exciting games of chance. They are not intended to be a financial investment. For some players, it can become all consuming. In those instances, the D.C. Lottery provides help through its Play Responsibly program. If you or someone you know is exhibiting compulsive gambling behavior, the agency's Play Responsibly program offers a free helpline and referral service. Information about the services is available through the D.C. Lottery's helpline at 1-800-522-5700.

# financial statements



## STATEMENTS OF NET ASSETS

Years Ended September 30, 2007 and 2006. Dollar amount in thousands.

	2007	2006
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 8,824	\$ 11,410
Accounts receivable, net	5,728	5,094
Prepaid expenses and other	7	9
Restricted investments	8,631	8,631
<b>Total Current Assets</b>	<b>23,190</b>	<b>25,144</b>
<b>Non-current assets:</b>		
Capital assets, net	311	382
Restricted investments	38,094	43,953
<b>Total Non-current Assets</b>	<b>38,405</b>	<b>44,335</b>
<b>Total Assets</b>	<b>61,595</b>	<b>69,479</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	2,625	2,754
Compensation liabilities	559	458
Deferred revenues	149	184
Accrued prizes and commissions	7,795	9,795
Other accrued liabilities	(11)	3
Obligations for unpaid prizes – current portion	8,631	8,631
<b>Total Current Liabilities</b>	<b>19,748</b>	<b>21,825</b>
<b>Obligations for unpaid prizes – noncurrent portion</b>	<b>38,094</b>	<b>43,953</b>
<b>Total Liabilities</b>	<b>57,842</b>	<b>65,778</b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	311	382
Unrestricted	3,442	3,319
<b>Total Net Assets</b>	<b>3,753</b>	<b>3,701</b>

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Years Ended September 30, 2007 and 2006. Dollar amount in thousands.

	2007	2006
<b>Operating revenues:</b>		
Gaming revenues	\$ 256,824	\$ 266,391
<b>Operating expenses:</b>		
Prizes	145,338	146,687
Agents' commissions	15,991	16,534
Contractor fees	13,794	14,410
Advertising	5,361	5,294
Administration	11,653	10,638
Amortization and depreciation	200	389
<b>Total Operating Expenses</b>	<b>192,337</b>	<b>193,907</b>
<b>Operating Income</b>	<b>64,487</b>	<b>72,484</b>
<b>Nonoperating revenues – interest and dividends</b>	<b>940</b>	<b>1,375</b>
<b>Income before transfers</b>	<b>65,427</b>	<b>73,859</b>
<b>Transfers to District General Fund</b>	<b>(65,375)</b>	<b>(73,800)</b>
Change in net assetst	52	59
<b>Net assets, beginning of year</b>	<b>3,701</b>	<b>3,642</b>
<b>Net assets, end of year</b>	<b>3,753</b>	<b>3,701</b>

## STATEMENTS OF CASH FLOWS

Years Ended September 30, 2007 and 2006. Dollar amount in thousands.

	2007	2006
<b>Operating activities:</b>		
Cash receipts from customers	\$ 255,271	\$ 265,625
Cash receipts from others	885	188
Cash payments to vendors	(24,735)	(23,820)
Cash payments to employees	(6,114)	(5,545)
Cash payments for prizes and commissions	(163,329)	(160,838)
<b>Net cash provided by operating activities</b>	<b>61,978</b>	<b>75,610</b>
<b>Capital and related financing activities – acquisition of fixed assets</b>	<b>(129)</b>	<b>-</b>
<b>Non-capital financing activities – transfers out</b>	<b>(65,375)</b>	<b>(73,800)</b>
<b>Investing activities – interest and dividends</b>	<b>940</b>	<b>1,375</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,586)</b>	<b>3,185</b>
<b>Cash and cash equivalents – beginning of year</b>	<b>11,410</b>	<b>8,225</b>
<b>Cash and cash equivalents – end of year</b>	<b>8,824</b>	<b>11,410</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	64,487	72,484
Amortization and depreciation	200	389
Decrease (increase) in assets:		
Receivables	(634)	(311)
Inventory	-	369
Prepaid expenses	2	12
Increase (decrease) in liabilities:		
Accounts payable	(129)	536
Compensation liabilities	101	(8)
Deferred revenue	(35)	(267)
Accrued prizes	(2,000)	2,382
Other current liabilities	(14)	24
<b>Net cash provided by operating activities</b>	<b>61,978</b>	<b>75,610</b>





D.C. Lottery and Charitable Games Control Board

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