



Annual Report 2018

October 1, 2017 to September 30, 2018

DIVISION BUDGET

The Charitable Gaming Division is required by law to be self-supporting. Charitable Gaming revenue includes charity game ticket sales and fees from charity game ticket, bingo, raffle, supplier, and hall licenses. Charitable Gaming expenses include charity game ticket stock, building rent, personnel, office resources, and Michigan Gaming Control Board (MGCB) expenses.

September 2012 Executive Order assigned regulation of millionaire parties to the MGCB, who collect millionaire party license fees and incur expenses for regulating the millionaire party licenses.

Net proceeds are turned over to Michigan's General Fund.

| | | | |
|----------------------------------|--------------|----------------------------------|--------------------|
| Charitable Gaming Revenue | \$11,327,030 | MGCB Revenue | \$412,150 |
| Charitable Gaming Expenses | \$7,070,688 | MGCB Expenses | \$2,736,019 |
| | | Net to General Fund | \$1,932,473 |

SUMMARY OF LICENSEE REVENUES

Michigan organizations were able to raise over \$60 million last year thanks to the non-profits to raise funds through bingo, raffles, and the sale of charity game tickets as regulated through the Michigan Lottery Charitable Gaming Division.

| License | Revenue | Prizes | Expenses | Net Profit |
|----------------------|----------------------|----------------------|---------------------|---------------------|
| Annual Charity Game | \$70,451,243 | \$56,652,140 | \$7,097,265 | \$6,701,838 |
| Special Charity Game | 73,715 | 52,298 | 10,002 | 11,415 |
| Large Bingo | 127,837,367 | 98,565,408 | 19,413,175 | 9,858,784 |
| Special Bingo | 1,106,273 | 548,744 | 93,183 | 464,346 |
| Large Raffle | 78,100,483 | 31,993,821 | 5,926,409 | 40,180,253 |
| Small Raffle | 6,979,521 | 2,957,103 | 404,473 | 3,617,945 |
| Total | \$284,548,602 | \$190,769,514 | \$32,944,507 | \$60,834,581 |

CHARITY GAME TICKETS (ONLY)

ANNUAL CHARITY GAME

Qualified organizations that own or lease a location for the primary use of their members, such as veteran and fraternal clubs, may obtain an annual charity game ticket license to sell charity game tickets during business hours. An annual charity game ticket license costs \$200 per license year.

During FY 2018, **575** organizations sold tickets under an annual charity game ticket license.

| | |
|----------------------|--------------|
| CGT Revenue | \$70,451,243 |
| CGT Prizes..... | \$56,652,140 |
| CGT Expenses | \$7,097,265 |
| CGT Net Profit | 6,701,838 |

SPECIAL CHARITY GAME

Qualified organizations may obtain a special charity game license to sell tickets at any one location for up to four consecutive days. Each organization is limited to eight special charity game licenses per calendar year. A special charity game license costs \$15 per day.

During FY 2018, **16** organizations sold tickets under a special charity game license.

| | |
|---------------------|----------|
| CGT Revenue..... | \$73,715 |
| CGT Prizes | \$52,298 |
| CGT Expenses..... | \$10,002 |
| CGT Net Profit..... | \$11,415 |

CHARITY GAME TICKET VALIDATION DISPENSERS

Starting in February 2015, Charitable Gaming implemented a small-scale dispenser program. Nineteen annual charity game licensees and one bingo location have been allowed to sell charity game tickets using a charity game ticket dispenser which reads each ticket, displays those results in video animation, and keeps track of the player's balance. Due to the system's ability to provide the financial statistics, minimal manual recordkeeping is required by the licensee resulting in more accurate reporting to the State.

BINGOS

LARGE BINGO

A large bingo license is good for once a week at a given location. Weekly bingos have prizes limited to \$1,100 per game and \$3,500 per occasion under a large bingo license. During FY 2018, **532** large bingo licensees, **478** of which sold CGTs, reported the following:

| | |
|-----------------------|-------------|
| Bingo Revenue | 57,092,789 |
| Bingo Prizes | 45,477,122 |
| Bingo Expenses | 12,482,728 |
| Bingo Net Profit..... | (\$867,061) |

The primary source of revenue for bingo licensees is through the sale of charity game tickets (CGTs). Large and small bingo licensees may sell charity game tickets during the times listed on their licenses.

| | |
|------------------------|--------------|
| CGT Revenue..... | \$70,744,578 |
| CGT Prizes | \$53,088,286 |
| CGT Expenses..... | \$6,930,447 |
| CGT Net Profit..... | \$10,725,845 |
| Total Net Profit | 9,858,784 |

| | |
|---|-----------|
| Average Bingo Prizes Paid Each Week | \$1,684 |
| Total Attendance..... | 1,460,196 |
| Average Weekly Attendance per Bingo..... | 54 |

SMALL BINGO

During FY 2018, **13** small bingo licenses were issued. Small bingos are typically held at senior centers. Qualified organizations wishing to conduct bingo once a week with prizes limited to \$25 per game and \$300 per occasion may obtain a small bingo license. Due to the insignificant prizes awarded, small bingo licensees are not required to report financial data to the bureau.

SPECIAL BINGO

A qualified organization may obtain up to four special bingo licenses per year. Each license is good for up to seven consecutive days. During FY 2018, **348** special bingo licensees, **62** of which sold charity game tickets (CGTs), reported the following:

| | |
|------------------------|-----------|
| Bingo Revenue | \$959,029 |
| Bingo Prizes..... | \$441,087 |
| Bingo Expenses..... | \$80,006 |
| Bingo Net Profit | \$437,936 |

| | |
|------------------------|-----------|
| CGT Revenue | \$147,244 |
| CGT Prizes | \$107,657 |
| CGT Expenses..... | \$13,177 |
| CGT Net Profit..... | \$26,410 |
| Total Net Profit | \$464,346 |

RAFFLES

LARGE RAFFLE

The **5,737** large raffle licensees (**23** of which sold charity game tickets) reported the following:

| | |
|----------------------------|--------------|
| Raffle Ticket Revenue..... | \$78,008,772 |
| Raffle Prizes | \$31,933,272 |
| Raffle Expenses | \$5,920,047 |
| Raffle Net Profit..... | \$40,155,453 |
| | |
| CGT Revenue | \$91,711 |
| CGT Prizes..... | \$60,549 |
| CGT Expenses | \$6,362 |
| CGT Net Profit | \$24,800 |

SMALL RAFFLE

For FY 2018, the **2,487** small raffle licensees reported the following:

| | |
|-----------------------------|-------------|
| Raffle Ticket Revenue | \$6,979,521 |
| Raffle Prizes | \$2,957,103 |
| Raffle Expenses..... | \$404,473 |
| Raffle Net Profit | \$3,617,945 |

SUPPLIERS

For FY 2018, licenses were issued to **21** suppliers which reported the following revenue. This includes monthly maintenance for the pilot program. Supplier expenses are not included.

| | |
|--|-------------|
| Sale and Rental of Bingo Equipment and CGT Validation Dispensers | \$4,766,371 |
| Rental of Electronic Raffle Equipment | \$268,333 |

BINGO GAME LOCATIONS

For FY 2018, licenses were issued to **44** locations that charge rent. Another 227 bingo locations did not charge rent and typically facilitated bingo for their own or a related organization.