

MASSACHUSETTS STATE LOTTERY COMMISSION



**Supporting the 351
Cities and Towns of
Massachusetts**

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On the Cover (Top to Bottom):

Lottery Executive Director Joseph C. Sullivan and State Treasurer Timothy P. Cahill present Pauline Page of Lowell with a \$50,000 prize check.

Bingo night at St. Mary's Parish in West Quincy.

Lottery agent Ken Schaffer of the Moody Spa in Waltham.

FY 2003



As Chairman of the Massachusetts State Lottery Commission, I am pleased to present the Massachusetts Lottery's Fiscal Year 2003 Annual Report and the Calendar Year 2003 Charitable Gaming Report. Having assumed office midway through the fiscal year, my administration has made swift steps forward in stemming the declining revenue trends of 2003.

Just one month into office, my administration ordered a sixty-second reduction in Keno game intervals which resulted in a 10.4% increase in the game's revenue over last year. In just under five months, this gross increase of over \$66.4 million offset the decline of our online games, ensuring near level net revenue from the previous year.

My administration also instituted better business practices and efficiencies to streamline operations. By ordering less office supplies, re-bidding for lower cost contracts, and promoting early retirement benefits, we realized a \$5.7 million decrease in administration expenses, ensuring that the Massachusetts Lottery remains the most efficient Lottery in the country.

I am proud of my administration's accomplishments in combatting these declining revenues in a short five months, however I believe our accomplishments in Fiscal Year 2004 will make me prouder still. We are making great progress in ensuring that the Massachusetts Lottery meets next year's revenue projections.

We expect to see our instant game revenue increase in 2004 thanks to the addition of cutting-edge instant games and by making the ten-dollar ticket a year-round product. By expanding hours of operation, we will see a continued increase in our Keno revenue for this year. Moreover, my administration is exploring further enhancements to Keno that will modernize the graphics and add excitement to the games.

We also expect more revenue from our online games thanks to a new \$5 million advertising budget. In order to grow our online revenues, the legislature granted my administration the first Lottery advertising budget since 1997 for Fiscal Year 2004. This \$5 million advertising budget will enable the Lottery to generate jackpot awareness among its casual players. In 2004, we also expect to see increased revenue from Mega Millions, thanks to the addition of Texas to our consortium.

The Lottery returned \$889 million to the taxpayers of Massachusetts in fiscal year 2003, including over \$705 million to our cities and towns. Our 7,300 sales agents throughout the Commonwealth made almost \$239 million in bonuses and commissions selling Lottery products. And although I am proud of my administration for stemming last year's decline to provide near level funding for 2003, the best is yet to come.

Timothy P. Cahill, Treasurer and Receiver General



When Treasurer Cahill appointed me Executive Director of the State Lottery in February 2003, our challenges were great but our vision and purpose were clear. Facing declining Lottery revenue during tough fiscal times for the Commonwealth required immediate action on the part of our administration.

And while we successfully curbed these declining trends, we also succeeded in reminding everybody why the success of the Massachusetts Lottery should be a priority to everyone in Massachusetts.

The Massachusetts Lottery is more than the prizes people win. It is over 400 employees and five regional offices which operate twenty-four hours a day, 365 days a year to ensure our Lottery is always working.

The Lottery produced \$4.2 billion in gross revenue in Fiscal Year 2003, only 1.6% of which went toward administrative expenses, *making Massachusetts the most efficient lottery in the United States*. Of the over \$889 million generated in revenues in Fiscal Year 2003, the 351 cities and towns in Massachusetts directly received over \$705 million to support critical local services such as fire, police and schools.

The Lottery's indirect local aid, which was over \$86 million in Fiscal Year 2003, was distributed to the Massachusetts Cultural Council and the Massachusetts Council on Compulsive Gambling. The distribution was received by the Massachusetts Cultural Council for administrative costs of \$7 million. In turn, the Cultural Council administered the distribution of \$79 million in the Arts Lottery fund which funded arts, humanities and interpretive science programs throughout the state.

The Massachusetts Council on Compulsive Gambling, a leader in providing problem gambling education throughout the Commonwealth, was funded \$1,000,000 (\$655,000 after 9C cuts) in Lottery aid in Fiscal Year 2003. The Council used these funds to continue their very important efforts towards reducing the social, financial, and emotional costs of problem gambling.

The Lottery is committed to maintaining our valuable and productive relationship with the state's private sector businesses. Our 7,300 Lottery agents statewide, most of whom are small business owners, depend on the sales of our products to make their businesses profitable and successful. This success further stimulates the Commonwealth's economy by creating local jobs and local revenue, as well as state revenue that in turn provides for local allocations.

The challenge for Fiscal Year 2004 is to continue the progress we have begun and to remain focused on improving Lottery operations, generating new game ideas for player excitement, and sustaining our mission to provide revenues for the cities and towns of our Commonwealth.

Joseph C. Sullivan, Executive Director

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**MARTIN J. BENISON
COMPTROLLER**



**EDWARD A. FLYNN
SECRETARY OF
PUBLIC SAFETY**



**BETH J. LINDSTROM
GOVERNOR'S
APPOINTEE**



**JANICE M. SARAGONI
GOVERNOR'S
APPOINTEE**

FY 2003

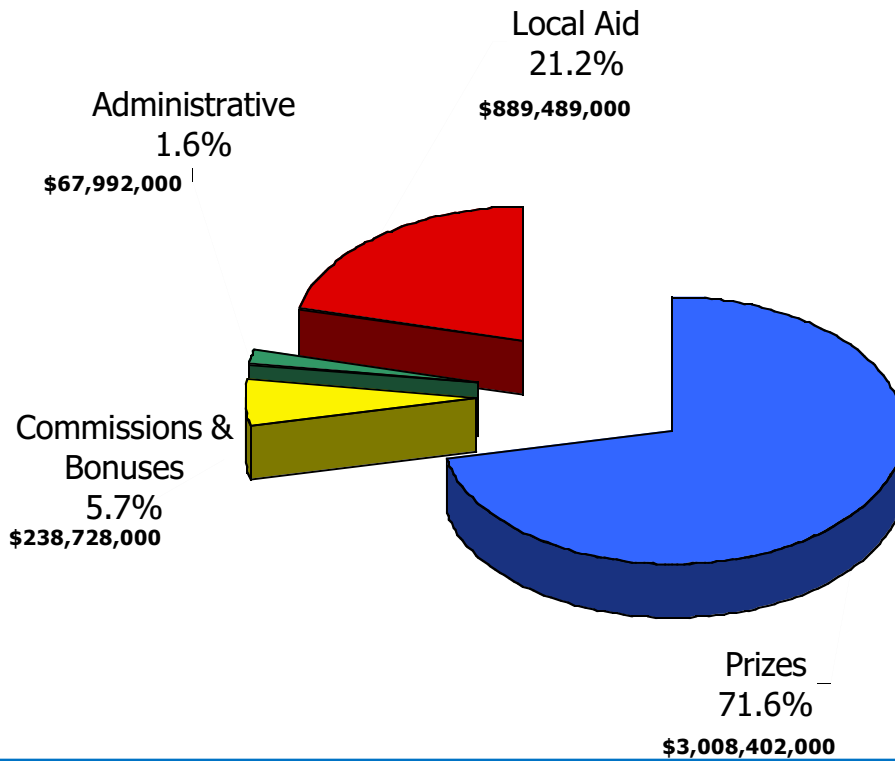


Revenues(000's)	FY03	%	FY02	%	%Change
		of Revenue		of Revenue	
Instant Games	\$2,885,050	68.6%	\$2,924,769	69.4%	-1.4%
Mega Millions	91,510	2.2%	114,010	2.7%	-19.7%
Numbers Game	371,645	8.8%	374,720	8.9%	-0.8%
Mass Cash	45,915	1.1%	47,040	1.1%	-2.4%
Keno	706,487	16.8%	640,045	15.2%	10.4%
Charity Game Tickets	3,702	0.1%	4,125	0.1%	-10.3%
Beano Tax (2/5)	1,841	0.0%	2,026	0.0%	-9.1%
Pull Tabs	2,569	0.1%	2,793	0.1%	-8.0%
Bond Fees and Fines	968	0.0%	961	0.0%	0.7%
Service Fees	5,378	0.1%	5,307	0.1%	1.3%
Clean Fun	6	0.0%	1	0.0%	586.1%
Megabucks	46,216	1.1%	48,977	1.2%	-5.6%
Mass Millions	41,750	1.0%	41,476	1.0%	0.7%
Miscellaneous Income	32	0.0%	124	0.0%	-74.7%
Interest	1,485	0.0%	3,319	0.1%	-55.2%
Stock Div Demutualization	57	0.0%	3,526	0.1%	-98.4%
Subtotal Revenues	\$4,204,611	100.0%	\$4,213,219	100.0%	-0.2%
Subtotal Prizes	\$3,008,402	71.6%	\$3,000,904	71.2%	0.2%
Operating Expenses					
Commissions	\$209,408	5.0%	\$209,499	5.0%	0.0%
Bonuses	29,320	0.7%	29,951	0.7%	-2.1%
Subtotal Operating Expenses	\$238,728	5.7%	\$239,450	5.7%	-0.3%
Operating Revenues	\$957,481	22.8%	\$972,866	23.1%	-1.6%
Administrative Expenses					
Salaries	\$22,099	0.5%	\$23,381	0.6%	-5.5%
Advertising	223	0.0%	1,227	0.0%	-81.8%
Equipment Rental	88	0.0%	57	0.0%	55.4%
Admin./Facilities	14,430	0.3%	16,460	0.4%	-12.3%
Facilities Rental	2,643	0.1%	2,584	0.1%	2.3%
Telephone	2,517	0.1%	2,600	0.1%	-3.2%
Travel	116	0.0%	123	0.0%	-6.0%
Employee Benefits	3,657	0.1%	3,476	0.1%	5.2%
Office/Other Equipment	15,150	0.4%	15,802	0.4%	-4.1%
Postage & Freight	1,831	0.0%	2,069	0.0%	-11.5%
Maintenance	1,940	0.0%	1,766	0.0%	9.9%
Professional Services	1,174	0.0%	1,316	0.0%	-10.8%
Other	24	0.0%	30	0.0%	-18.3%
Vehicles	37	0.0%	287	0.0%	-87.3%
Fringe Benefit Allocation	2,063	0.0%	2,481	0.1%	-16.9%
Total Admin. Expenses	\$67,992	1.6%	\$73,658	1.7%	-7.7%
Net Profit					
Before Distribution	\$889,489	21.2%	\$899,207	21.3%	-1.1%

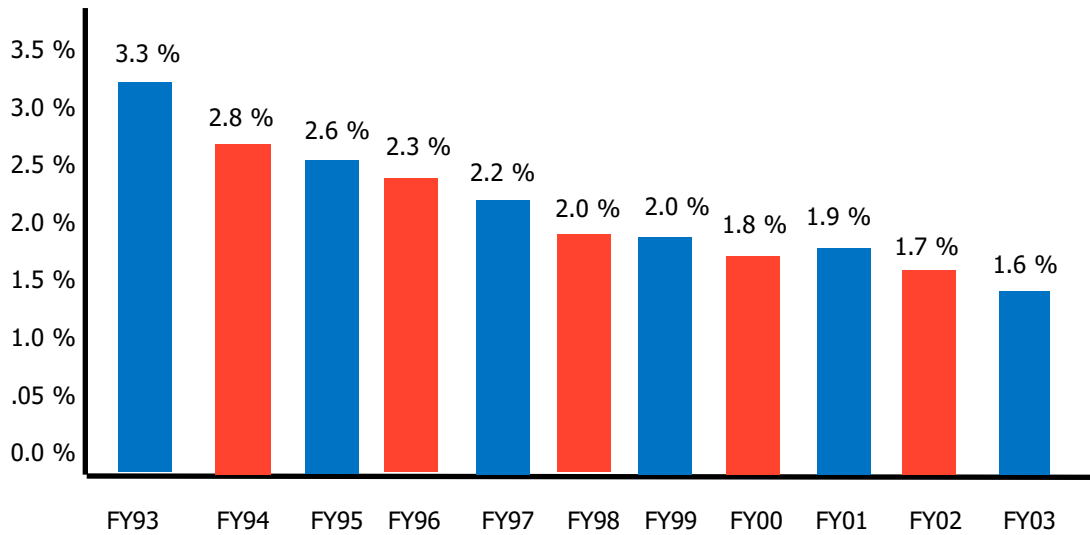
STATEMENT OF OPERATIONS

FY 2003

Gross Revenue Breakdown



Historic Administrative Efficiency Percentage



FY 2003



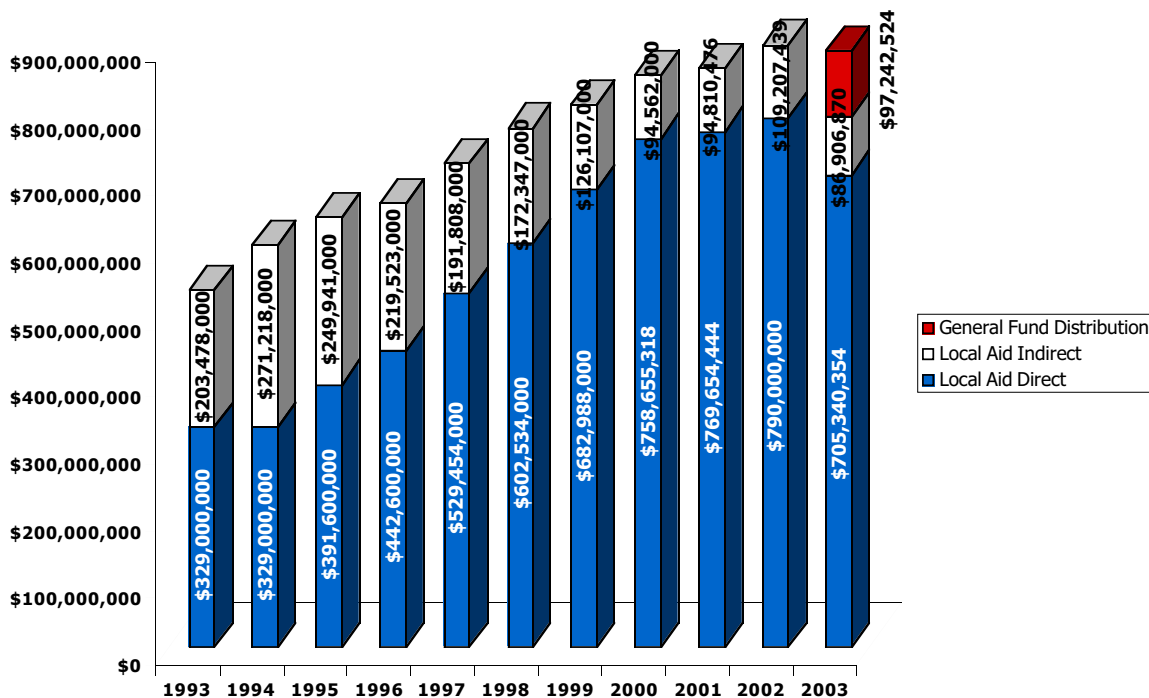
Lottery revenues are distributed through indirect and direct local aid. Indirect local aid is dedicated to the Arts Lottery Fund, the Massachusetts Cultural Council, and the Department of Public Health, which receives Lottery revenues to fund the Massachusetts Council on Compulsive Gambling.

Direct local aid is distributed to the 351 cities and towns of the Commonwealth according to a local aid formula established by the Legislature. All direct local aid is unrestricted, allowing each community to use the funds as needed.

Due to tough fiscal times, the legislature granted 9C powers to the Governor in February 2003 resulting in a reduction in Lottery appropriations and distributions to the 351 cities and towns of Massachusetts. Although appropriated to receive \$778 million in Lottery aid, communities received \$705.3 million. The reduction's difference of \$72.7 million, as well as the Lottery revenue surplus of \$24 million, was diverted to the state's general fund.

FISCAL YEAR 2003 Lottery Revenue Distribution Breakdown

Direct Local Aid Distributed in FISCAL YEAR 2003	\$705,340,354
Arts Lottery Local Aid	\$78,613,899
MA Cultural Council Appropriation	\$7,292,971
General Fund Distribution (Surplus & 9c Reduction)	\$97,242,524
MA Council on Compulsive Gambling	\$1,000,000
Total Distribution	\$889,489,748



FY2003

WHERE THE MONEY GOES



The town of **Raynham** used Lottery revenues in Fiscal Year 2003 to replace the boiler in the South School. The school houses the regional school district Head Start program.



The town of **Bellingham** used Fiscal Year 2003 Lottery revenues to purchase a new police cruiser.



The city of **Taunton** used Fiscal Year 2003 Lottery revenues to repair the fountain in the city center.



The town of **Palmer** used Fiscal Year 2003 Lottery revenues to purchase a new street sweeper.



The city of **Lowell** used Fiscal Year 2003 Lottery revenues to make improvements to the Tsongas Arena and the Edward A. LeLaucher Ball Park.



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FY 2003





The Lottery introduced 21 instant games in Fiscal Year 2003: "Fire & Ice", "Wild Millions", "Money Tree", "Platinum Payout", "Lucky 7's", "Million \$ Mania", "30th Anniversary Spectacular", "Winner Green", "Silver Bells", "Cash Windfall", "Pharaoh's Gold", "Winner Take All", "Magic Money", "Strike it Rich", "200 Grand", "1,000,000 Wheel", "Money Bags", "Cash Express", "Gold Mine", and "\$1,000,000 Bankroll".

Instant games continued to be the Lottery's most popular product, making up approximately 68.6% of its total sales in Fiscal Year 2003. The Lottery's most successful game of Fiscal Year 2003 was its ten-dollar game, the "30th Anniversary Spectacular", which in the first twelve weeks of its release had \$360 million in sales. "Wild Millions" was one of the Lottery's most successful five-dollar tickets in history, earning \$82 million in the first twelve weeks of its release. In Fiscal Year 2003 alone, instant games topped \$2.89 billion in revenue.



Keno, the Lottery's second most popular product, enjoyed remarkable growth in Fiscal Year 2003. On March 1, 2003 Treasurer Cahill reduced the intervals between Keno games by one minute to offset the declining revenue of the Lottery's online games. The modification resulted in a 10.4% increase in revenue over the previous year. In Fiscal Year 2003, Keno sales were \$706.5 million.

THE NUMBERS GAME

The Numbers Game is the oldest game still offered by the Lottery, and its most popular online game. In 2003, The Numbers Game accounted for 8.8% of total revenue, grossing more than \$371.6 million. Twenty-seven years after its first drawing, The Numbers Game continues to contribute significantly to the success of the Lottery.

FY 2003



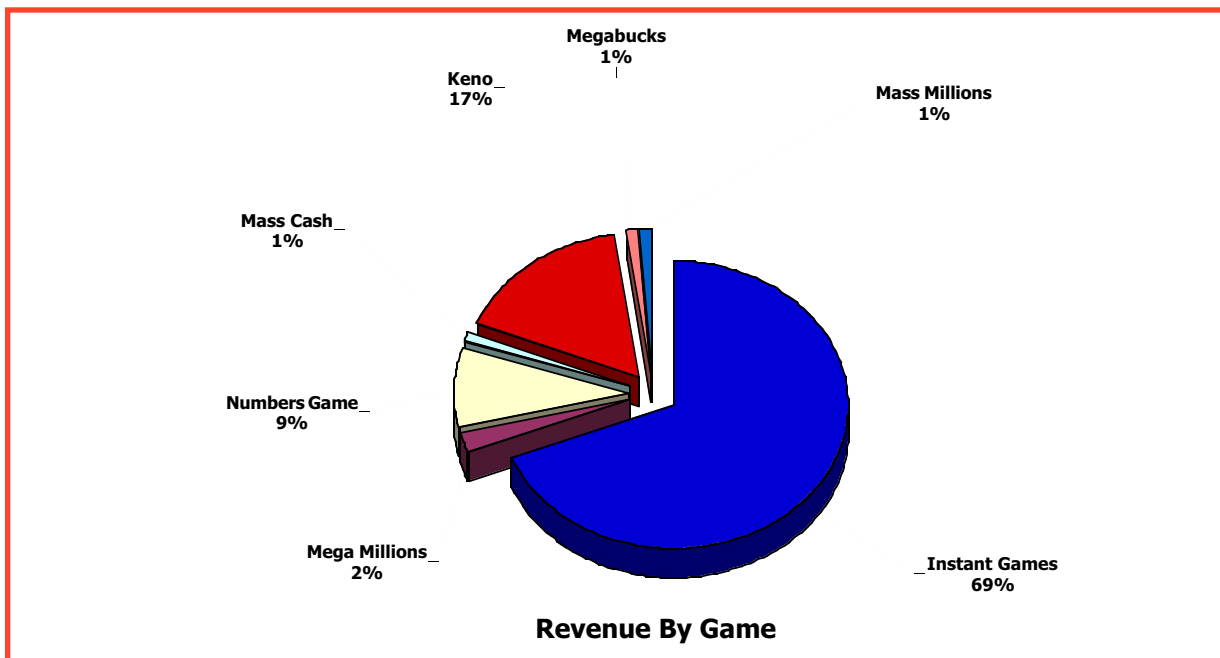


Mega Millions is a multi-state game consisting of Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Texas, Virginia and Washington. Since Mega Millions had no jackpots larger than \$200 million in 2003, the game posted a decline of 19.7% in revenue. In September 2003, Washington became the tenth state to join the Mega Millions consortium. Texas joined Mega Millions in December of 2003. The addition of Texas is expected to increase the game's future jackpots and boost revenues.



The Lottery's lotto games consist of Mass Cash, Megabucks and Mass Millions. Collectively, the three games account for more than 3% of the Lottery's total sales. Sales for Mass Cash and Megabucks have declined for the fifth year in a row. Due to a large jackpot which rolled for all of 2003, Mass Millions posted its first modest increase in four years of 0.7%.

Pull Tabs account for only 0.1% of the Lottery's total sales, constituting the smallest portion of Lottery revenue. Pull Tabs are sold primarily by pouring establishments and clubs.



FY 2003



Local Aid Disbursements:

<u>CITY/TOWN</u>	<u>Local Aid FY03</u>	<u>CITY/TOWN</u>	<u>Local Aid FY03</u>	<u>CITY/TOWN</u>	<u>Local Aid FY03</u>
ABINGTON	\$1,874,909	CHICOPEE	\$9,102,673	HANCOCK	\$35,053
ACTON	\$1,274,736	CHILMARK	\$3,581	HANOVER	\$1,001,331
ACUSHNET	\$1,439,496	CLARKSBURG	\$325,699	HANSON	\$1,169,222
ADAMS	\$1,834,947	CLINTON	\$2,042,330	HARDWICK	\$358,995
AGAWAM	\$3,346,731	COHASSET	\$389,374	HARVARD	\$1,757,581
ALFORD	\$13,782	COLRAIN	\$209,486	HARWICH	\$401,402
AMESBURY	\$1,880,864	CONCORD	\$871,567	HATFIELD	\$286,582
AMHERST	\$7,340,618	CONWAY	\$149,548	HAVERHILL	\$7,281,553
ANDOVER	\$1,681,135	CUMMINGTON	\$65,705	HAWLEY	\$26,072
ARLINGTON	\$4,087,979	DALTON	\$904,825	HEATH	\$58,362
ASHBURNHAM	\$635,314	DANVERS	\$1,837,491	HINGHAM	\$1,295,176
ASHBY	\$372,589	DARTMOUTH	\$2,365,263	HINSDALE	\$191,490
ASHFIELD	\$153,023	DEDHAM	\$2,024,656	HOLBROOK	\$1,461,226
ASHLAND	\$969,485	DEERFIELD	\$449,986	HOLDEN	\$1,550,766
ATHOL	\$2,052,889	DENNIS	\$502,484	HOLLAND	\$163,746
ATTLEBORO	\$5,198,082	DIGHTON	\$641,962	HOLLISTON	\$1,160,482
AUBURN	\$1,562,566	DOUGLAS	\$628,471	HOLYOKE	\$8,706,856
AVON	\$370,478	DOVER	\$191,058	HOPEDALE	\$605,044
AYER	\$697,085	DRACUT	\$3,291,245	HOPKINTON	\$595,757
BARNSTABLE	\$1,919,001	DUDLEY	\$1,393,004	HUBBARDSTON	\$312,879
BARRE	\$722,426	DUNSTABLE	\$177,619	HUDSON	\$1,945,252
BECKET	\$70,267	DUXBURY	\$877,778	HULL	\$1,030,245
BEDFORD	\$746,182	E. BRIDGEWATER	\$1,377,044	HUNTINGTON	\$284,263
BELCHERTOWN	\$1,403,899	E. BROOKFIELD	\$255,338	IPSWICH	\$954,446
BELLINGHAM	\$1,726,010	E. LONGMEADOW	\$1,240,491	KINGSTON	\$861,482
BELMONT	\$1,621,883	EASTHAM	\$137,512	LAKEVILLE	\$713,545
BERKLEY	\$510,242	EASTHAMPTON	\$2,458,485	LANCASTER	\$825,028
BERLIN	\$203,027	EASTON	\$2,009,134	LANESBOROUGH	\$332,124
BERNARDSTON	\$238,410	EDGARTOWN	\$43,589	LAWRENCE	\$18,053,697
BEVERLY	\$3,717,206	EGREMONT	\$59,644	LEE	\$614,250
BILLERICA	\$3,857,979	ERVING	\$57,990	LEICESTER	\$1,615,737
BLACKSTONE	\$1,205,582	ESSEX	\$217,403	LENOX	\$507,815
BLANDFORD	\$107,885	EVERETT	\$3,252,903	LEOMINSTER	\$5,097,526
BOLTON	\$168,633	FAIRHAVEN	\$1,873,530	LEVERETT	\$163,927
BOSTON	\$57,555,789	FALL RIVER	\$20,691,928	LEXINGTON	\$1,485,545
BOURNE	\$1,106,550	FALMOUTH	\$1,297,462	LEYDEN	\$65,981
BOXBOROUGH	\$220,636	FITCHBURG	\$7,711,088	LINCOLN	\$442,691
BOXFORD	\$426,697	FLORIDA	\$47,380	LITTLETON	\$533,884
BOYLSTON	\$322,715	FOXBOROUGH	\$1,450,578	LONGMEADOW	\$1,260,838
BRAINTREE	\$2,976,358	FRAMINGHAM	\$5,897,706	LOWELL	\$18,638,151
BREWSTER	\$360,447	FRANKLIN	\$2,284,124	LUDLOW	\$2,561,465
BRIDGEWATER	\$2,978,342	FREETOWN	\$901,489	LUNENBURG	\$1,003,985
BRIMFIELD	\$330,725	GARDNER	\$3,722,730	LYNN	\$13,706,031
BROCKTON	\$16,676,576	AQUINNAH	\$2,012	LYNNFIELD	\$719,562
BROOKFIELD	\$448,618	GEORGETOWN	\$636,131	MALDEN	\$7,950,134
BROOKLINE	\$3,605,599	GILL	\$197,437	MANCHESTER	\$229,007
BUCKLAND	\$247,581	GLOUCESTER	\$2,415,455	MANSFIELD	\$1,378,861
BURLINGTON	\$1,451,016	GOSHEN	\$63,598	MARBLEHEAD	\$1,094,617
CAMBRIDGE	\$7,273,615	GOSNOLD	\$499	MARION	\$211,383
CANTON	\$1,344,258	GRAFTON	\$1,453,799	MARLBOROUGH	\$2,972,037
CARLISLE	\$199,625	GRANBY	\$772,138	MARSHFIELD	\$1,954,494
CARVER	\$1,339,163	GRANVILLE	\$128,117	MASHPEE	\$252,397
CHARLEMONT	\$143,476	GREAT BARRINGTON	\$726,717	MATTAPOISETT	\$396,031
CHARLTON	\$1,162,855	GREENFIELD	\$2,832,808	MAYNARD	\$1,070,776
CHATHAM	\$157,620	GROTON	\$675,204	MEDFIELD	\$810,553
CHELMSFORD	\$2,943,380	GROVELAND	\$611,001	MEDFORD	\$6,828,301
CHELSEA	\$5,063,192	HADLEY	\$299,001	MEDWAY	\$957,511
CHESHIRE	\$488,347	HALIFAX	\$852,772	MELROSE	\$2,972,195
CHESTER	\$149,336	HAMILTON	\$568,645	MENDON	\$355,155
CHESTERFIELD	\$112,720	HAMPDEN	\$548,488	MERRIMAC	\$695,696

Local Aid Disbursements:

<u>CITY/TOWN</u>	<u>Local Aid FY03</u>	<u>CITY/TOWN</u>	<u>Local Aid FY03</u>	<u>CITY/TOWN</u>	<u>Local Aid FY03</u>
METHUEN	\$4,909,434	PRINCETON	\$276,403	TYNGSBOROUGH	\$846,123
MIDDLEBOROUGH	\$2,296,100	PROVINCETOWN	\$132,831	TYRINGHAM	\$12,191
MIDDLEFIELD	\$39,329	QUINCY	\$9,634,228	UPTON	\$458,399
MIDDLETON	\$326,500	RANDOLPH	\$3,531,088	UXBRIDGE	\$1,321,575
MILFORD	\$2,922,664	RAYNHAM	\$1,029,097	WAKEFIELD	\$2,208,126
MILLBURY	\$1,653,754	READING	\$1,963,388	WALES	\$205,028
MILLIS	\$755,807	REHOBOTH	\$849,542	WALPOLE	\$1,771,833
MILLVILLE	\$319,134	REVERE	\$5,670,009	WALTHAM	\$5,080,700
MILTON	\$2,221,318	RICHMOND	\$105,915	WARE	\$1,528,753
MONROE	\$6,801	ROCHESTER	\$383,758	WAREHAM	\$1,946,026
MONSON	\$1,149,935	ROCKLAND	\$2,243,917	WARREN	\$654,602
MONTAGUE	\$1,120,416	ROCKPORT	\$420,227	WARWICK	\$74,987
MONTEREY	\$33,259	ROWE	\$3,938	WASHINGTON	\$62,857
MONTGOMERY	\$76,614	ROWLEY	\$418,020	WATERTOWN	\$2,853,649
MOUNT WASHINGTON	\$3,004	ROYALSTON	\$132,399	WAYLAND	\$652,377
NAHANT	\$283,040	RUSSELL	\$205,143	WEBSTER	\$2,218,057
NANTUCKET	\$70,956	RUTLAND	\$704,767	WELLESLEY	\$1,241,054
NATICK	\$2,207,372	SALEM	\$3,821,129	WELLFLEET	\$58,536
NEEDHAM	\$1,512,975	SALISBURY	\$572,981	WENDELL	\$116,822
NEW ASHFORD	\$8,562	SANDISFIELD	\$27,402	WENHAM	\$304,758
NEW BEDFORD	\$21,620,327	SANDWICH	\$867,886	WEST BOYLSTON	\$634,761
NEW BRAINTREE	\$103,141	SAUGUS	\$2,132,238	WEST BRIDGEWATER	\$589,058
NEW MARLBOROUGH	\$51,429	SAVOY	\$91,171	WEST BROOKFIELD	\$418,159
NEW SALEM	\$84,290	SCITUATE	\$1,313,755	WEST NEWBURY	\$267,864
NEWBURY	\$423,513	SEEKONK	\$1,128,291	WEST SPRINGFIELD	\$3,041,244
NEWBURYPORT	\$1,451,070	SHARON	\$1,276,304	WEST STOCKBRIDGE	\$97,674
NEWTON	\$4,722,756	SHEFFIELD	\$202,703	WEST TISBURY	\$32,587
NORFOLK	\$898,613	SHELBURNE	\$239,012	WESTBOROUGH	\$916,959
NORTH ADAMS	\$4,032,689	SHERBORN	\$191,422	WESTFIELD	\$5,423,270
NORTH ANDOVER	\$1,744,631	SHIRLEY	\$1,059,236	WESTFORD	\$1,275,653
N. ATTLEBOROUGH	\$2,707,285	SHREWSBURY	\$2,250,778	WESTHAMPTON	\$126,695
N. BROOKFIELD	\$754,902	SHUTESBURY	\$135,757	WESTMINSTER	\$573,934
NORTH READING	\$982,277	SOMERSET	\$1,323,428	WESTON	\$369,881
NORTHAMPTON	\$3,690,997	SOMERVILLE	\$11,403,360	WESTPORT	\$1,199,650
NORTHBOROUGH	\$979,608	SOUTH HADLEY	\$2,335,238	WESTWOOD	\$677,291
NORTHBRIDGE	\$2,117,024	SOUTHAMPTON	\$525,049	WEYMOUTH	\$6,850,560
NORTHFIELD	\$276,384	SOUTHBOROUGH	\$391,974	WHATELY	\$113,616
NORTON	\$1,913,834	SOUTHBRIDGE	\$3,220,357	WHITMAN	\$2,054,419
NORWELL	\$623,476	SOUTHWICK	\$1,000,035	WILBRAHAM	\$1,149,291
NORWOOD	\$2,431,831	SPENCER	\$1,908,299	WILLIAMSBURG	\$289,212
OAK BLUFFS	\$67,113	SPRINGFIELD	\$30,900,045	WILLIAMSTOWN	\$890,705
OAKHAM	\$156,273	STERLING	\$635,014	WILMINGTON	\$1,328,245
ORANGE	\$1,486,418	STOCKBRIDGE	\$99,672	WINCHENDON	\$1,458,013
ORLEANS	\$170,447	STONEHAM	\$2,042,945	WINCHESTER	\$1,199,616
OTIS	\$27,221	STOUGHTON	\$3,091,445	WINDSOR	\$58,005
OXFORD	\$1,971,693	STOW	\$392,354	WINTHROP	\$2,398,139
PALMER	\$1,714,601	STURBRIDGE	\$693,918	WOBURN	\$2,996,305
PAXTON	\$424,033	SUDBURY	\$829,966	WORCESTER	\$28,744,919
PEABODY	\$4,557,888	SUNDERLAND	\$429,780	WORTHINGTON	\$101,245
PELHAM	\$137,923	SUTTON	\$705,907	WRENTHAM	\$902,569
PEMBROKE	\$1,561,065	SWAMPSCOTT	\$951,419	YARMOUTH	<u>\$1,146,774</u>
PEPPERELL	\$1,177,952	SWANSEA	\$1,760,698		
PERU	\$95,163	TAUNTON	\$8,102,749		
PETERSHAM	\$100,297	TEMPLETON	\$1,122,089	MUNICIPAL TOTAL	\$705,340,354*
PHILLIPSTON	\$147,147	TEWKSBURY	\$2,709,583		
PITTSFIELD	\$7,154,159	TISBURY	\$97,309		
PLAINFIELD	\$39,750	TOLLAND	\$5,301		
PLAINVILLE	\$698,753	TOPSFIELD	\$394,153		
PLYMOUTH	\$3,497,579	TOWNSEND	\$1,074,455		
PLYMPTON	\$221,861	TRURO	\$27,980		

*Distributions after
9C reductions

Massachusetts State Lottery Charitable Gaming Division Calendar Year 2003

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Charitable Gaming licensees throughout the Commonwealth reported a total of \$141.3 million in gross revenues in Calendar Year 2003, comprised of \$88.2 million from Beano games; \$34.7 million from charity game ticket sales; \$17.3 million from raffles; and \$1.1 million from bazaars (Las Vegas nights).

Proceeds generated from Beano games have touched the lives of many citizens across the Commonwealth by providing the necessary funding for various charitable causes. In 2003, Charitable Gaming activities throughout the Commonwealth generated over \$24 million for many of these worthy causes, such as scholarships, medical research, library books, youth sports programs and food baskets. Scholarships enabled students to participate in educational programs that would not have been possible without this funding. Thanksgiving and Christmas dinners and food baskets for the holidays were funded for needy families, senior citizens and veterans.

While total Charitable Gaming revenues were lower than anticipated by \$13.3 million for 2003 as compared to 2002, raffle and bazaar revenues were higher than planned by \$1.1 million for 2003 as compared to 2002. The lower Charitable Gaming revenues are primarily attributed to a lower number of volunteers available for staffing the games and to lower attendance resulting from the implementation of non-smoking ordinances in some of the cities and towns throughout the Commonwealth.

The Lottery recognizes both the important social value of the game Bingo to the Commonwealth's citizens, as well as the fiscal value it has to the state's charities. To that end, in 2004 we will institute a comprehensive program to increase the game's accessibility as well as its revenues. This new program will include a regulation that allows the issuance of "one day" Bingo licenses, enabling more non-profit organizations to raise revenue through this time-honored social activity.

I would like to thank all of the dedicated volunteers and patrons throughout the Commonwealth who have contributed to the success of Charitable Gaming in 2003. Their tireless commitment and devotion has helped ease some of the financial burden faced by countless charitable organizations across Massachusetts.



Joseph C. Sullivan, Executive Director

FY 2003



Comprehensive Statement of Revenues and Expenses
from Licensees and Permittees
January 1, 2003 to December 31, 2003

Gross Revenues

Bingo Games	\$ 88,208,825
Charity Game Tickets	34,695,973
Raffles	17,260,086
Bazaars (Casino Functions)	<u>1,103,820</u>

Total Gross Revenues **\$141,268,704**

Expenses

Bingo prizes	\$ 68,623,696
Charity Game Ticket prizes (estimated)	20,817,584
Bingo taxes	4,410,443

Appropriated as follows:

Three-fifths to the General Fund
Two-fifths to the Lottery for expenses
of controlling Bingo

*Any unappropriated balance goes to
Local Aid Fund

Cost of Charity Game Tickets to licensees	\$ 3,469,597
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Appropriated as follows:

Maximum 50% allowed expenses for
purchasing and selling tickets. Any
money not so expended (but at least 50%)
goes to Local Aid Fund.

Bingo operating expenses	\$ 9,787,641
Raffle prizes & expenses	8,029,763
Raffle taxes	874,115
Bazaar "Casino Function" prizes & expenses	414,977
Bazaar "Casino Function" taxes	54,739

Total Expenses **\$116,482,555**

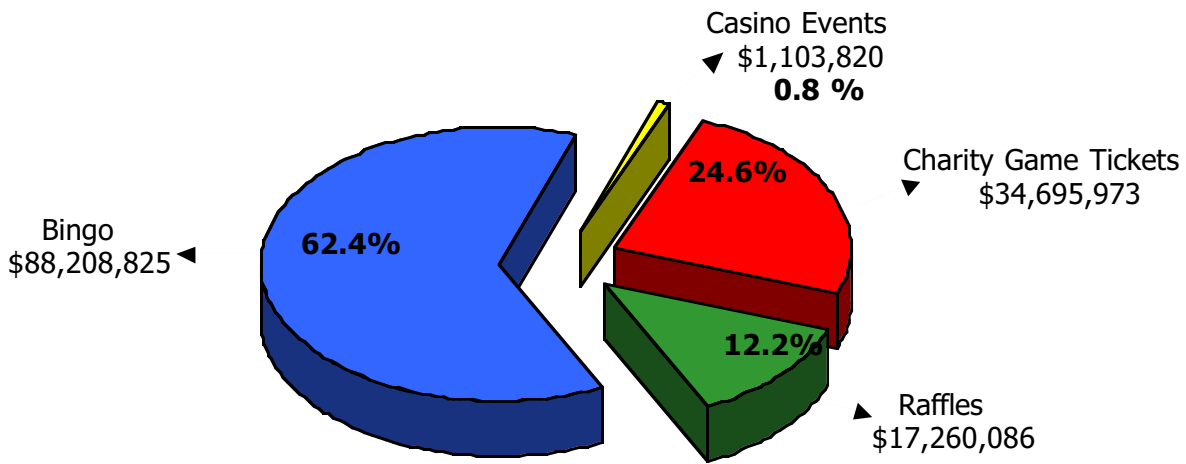
Net Revenues Available to Charities **\$24,786,149**

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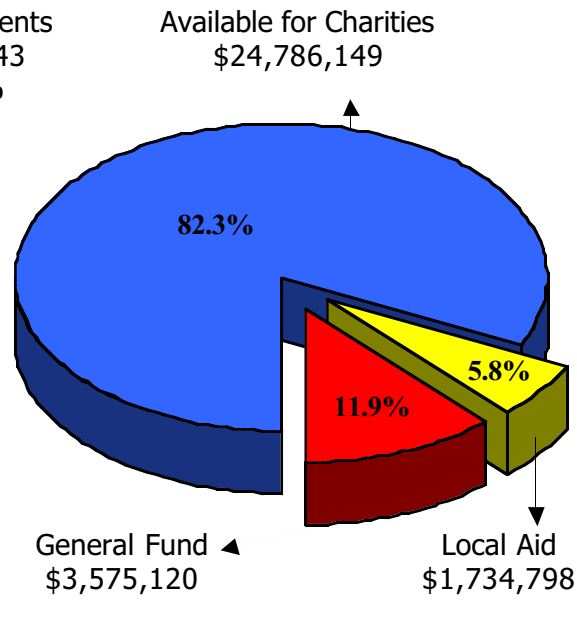
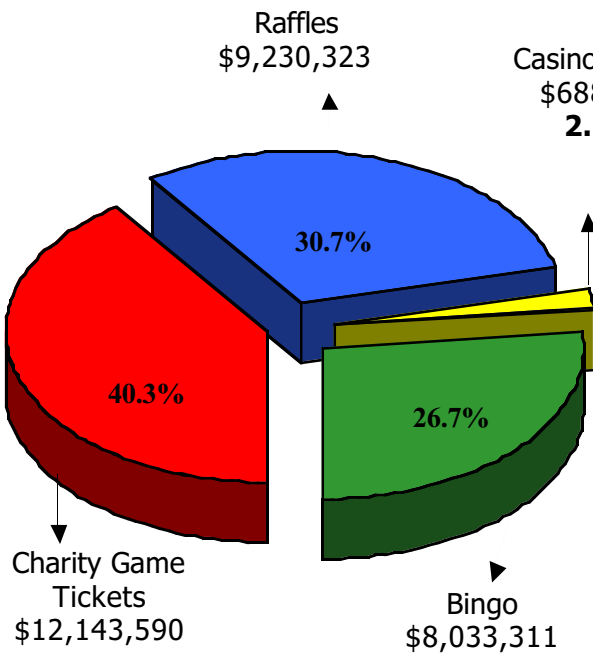
FY 2003

2003 SUMMARY
Total Gross Revenues: \$141,268,704



Source of Funds Available to Organizations (Net Revenues)

Recipients of Funds from Organizations (Net Revenue)



Total Funds
\$30,096,067

Total Funds
\$30,096,067

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FY 2003



Summary of Bingo Receipts by Counties Conducting Bingo for the Period January 1, 2003-December 31, 2003

COUNTY	POPULATION*	NUMBER OF LICENSEES	GROSS BINGO RECEIPTS	PER CAPITA SPENDING	5% TAX
BARNSTABLE	222,230	13	\$2,456,678	\$30.95	\$122,834
BERKSHIRE	134,953	16	\$2,787,857	\$30.06	\$139,393
BRISTOL	534,678	33	\$7,291,449	\$26.37	\$364,573
DUKES	14,987	2	\$81,642	\$30.93	\$4,082
ESSEX	723,419	36	\$7,427,934	\$25.61	\$371,397
FRANKLIN	71,535	6	\$964,793	\$29.79	\$48,240
HAMPDEN	456,228	57	\$12,796,805	\$30.83	\$639,840
HAMPSHIRE	152,251	6	\$884,582	\$29.94	\$44,229
MIDDLESEX	1,465,396	73	\$18,063,859	\$29.66	\$903,192
NANTUCKET	9,520	1	\$1,165	\$20.08	\$58
NORFOLK	650,308	33	\$8,259,570	\$31.87	\$412,979
PLYMOUTH	472,822	36	\$8,009,811	\$31.39	\$400,491
SUFFOLK	689,807	32	\$7,055,081	\$32.45	\$352,755
WORCESTER	750,963	60	\$12,127,600	\$31.72	\$606,380
TOTAL BY COUNTIES	6,349,097	404	\$88,208,825	\$29.90	\$4,410,443

*Population figures from the 2000 U.S. Census.

NOTE: THESE FIGURES WERE DERIVED FROM UNAUDITED ANNUAL REPORTS SUBMITTED BY LICENSED BINGO ORGANIZATIONS.

FY 2003

Summary of Bingo Receipts by City and Towns Conducting Bingo for the Period January 1, 2003-December 31, 2003

CITY/TOWN	POPULATION*	NUMBER OF LICENSEES	GROSS BINGO RECEIPTS	PER CAPITA SPENDING	5% TAX
Abington	14,605	5	\$1,113,579	\$30.12	\$55,679
Adams	8,809	2	\$258,073	\$27.89	\$12,904
Agawam	28,144	2	\$379,423	\$27.84	\$18,971
Amesbury	16,450	1	\$115,627	\$22.26	\$5,781
Ashburnham	5,546	1	\$143,309	\$26.73	\$7,166
Ashland	14,674	3	\$1,343,554	\$35.38	\$67,178
Athol	11,299	1	\$122,682	\$29.97	\$6,134
Attleboro	42,068	5	\$1,095,995	\$27.09	\$54,800
Auburn	15,901	2	\$468,245	\$32.80	\$23,412
Ayer	7,287	1	\$84,531	\$23.43	\$4,227
Barnstable	47,821	1	\$173,953	\$26.00	\$8,698
Barre	5,113	1	\$73,620	\$22.14	\$3,681
Bellingham	15,314	1	\$298,690	\$29.56	\$14,934
Beverly	39,862	3	\$511,319	\$21.01	\$25,566
Billerica	38,981	2	\$542,795	\$24.66	\$27,140
Blackstone	8,804	1	\$379,669	\$34.42	\$18,983
Boston	589,141	25	\$5,499,233	\$29.61	\$274,962
Bourne	18,721	2	\$489,852	\$33.94	\$24,493
Brewster	10,094	1	\$224,561	\$29.93	\$11,228
Bridgewater	25,185	1	\$359,830	\$34.40	\$17,992
Brockton	94,304	8	\$2,511,452	\$31.69	\$125,573
Burlington	22,876	1	\$109,123	\$24.81	\$5,456
Cambridge	101,355	3	\$182,863	\$29.07	\$9,143
Canton	20,775	3	\$349,087	\$36.01	\$17,454
Carver	11,163	1	\$245,775	\$26.75	\$12,289
Charlemont	1,358	1	\$75,735	\$24.81	\$3,787
Chelmsford	33,858	2	\$288,667	\$21.20	\$14,433
Chelsea	35,080	3	\$426,945	\$25.82	\$21,347
Chicopee	54,653	15	\$5,301,331	\$32.10	\$265,067
Clinton	13,435	1	\$109,891	\$34.07	\$5,495
Dalton	6,892	1	\$0	\$0.00	\$0
Dartmouth	30,666	3	\$704,314	\$25.59	\$35,216
Dedham	23,464	2	\$327,509	\$32.00	\$16,375
Deerfield	4,750	1	\$155,024	\$30.58	\$7,751
Dennis	15,973	2	\$320,563	\$34.25	\$16,028
Dighton	6,175	1	\$203,057	\$28.79	\$10,153
Dracut	28,562	1	\$132,900	\$24.94	\$6,645
Dudley	10,036	1	\$144,097	\$32.01	\$7,205
East Bridgewater	12,974	1	\$0	\$0.00	\$0
Eastham	5,453	1	\$184,859	\$28.31	\$9,243
Edgartown	3,779	1	\$33,833	\$27.42	\$1,692
Everett	38,037	3	\$678,657	\$26.06	\$33,933
Fairhaven	16,159	1	\$0	\$0.00	\$0
Fall River	91,938	7	\$1,583,300	\$24.57	\$79,165
Falmouth	32,660	3	\$559,960	\$29.22	\$27,998
Fitchburg	39,102	10	\$1,714,597	\$31.12	\$85,730
Framingham	66,910	1	\$171,737	\$29.35	\$8,587

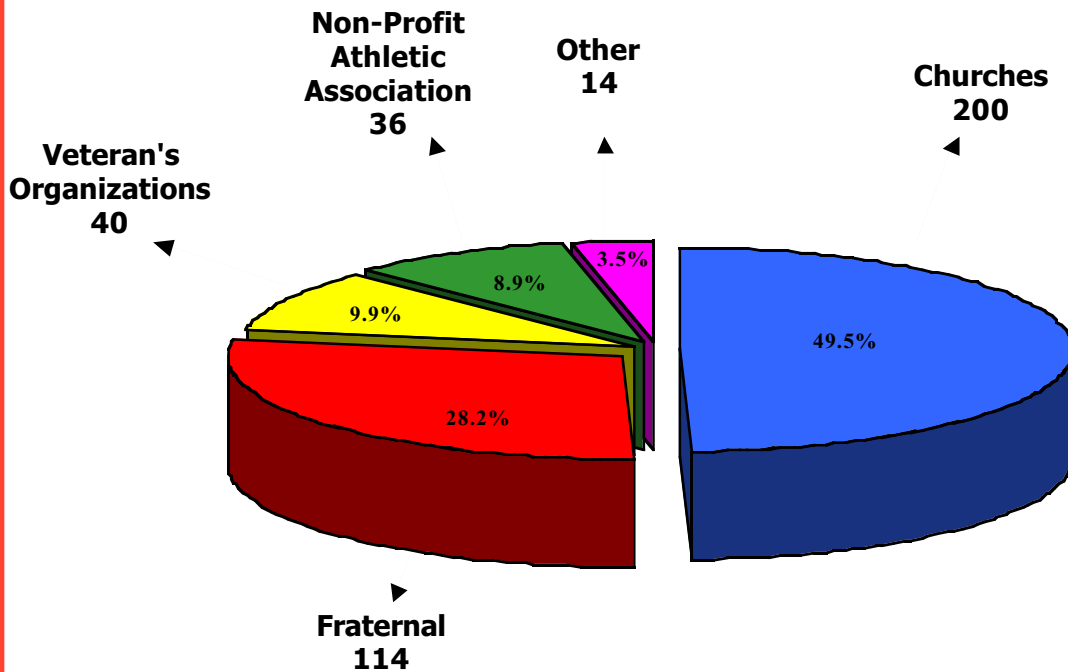
Summary of Bingo Receipts by City and Towns Conducting Bingo for the Period January 1, 2003-December 31, 2003

CITY/TOWN	POPULATION*	NUMBER OF LICENSEES	GROSS BINGO RECEIPTS	PER CAPITA SPENDING	5% TAX
Franklin	29,560	3	\$342,271	\$27.15	\$17,114
Gardner	20,770	6	\$858,404	\$28.93	\$42,920
Georgetown	7,377	1	\$0	\$0.00	\$0
Gloucester	30,273	2	\$285,073	\$27.00	\$14,254
Greenfield	18,168	2	\$230,429	\$30.09	\$11,521
Hadley	4,793	1	\$3,407	\$29.63	\$170
Haverhill	58,969	1	\$178,664	\$22.48	\$8,933
Hingham	19,882	2	\$384,851	\$36.91	\$19,243
Hinsdale	1,872	1	\$26,634	\$20.44	\$1,332
Holbrook	10,785	1	\$495,888	\$32.92	\$24,794
Holyoke	39,838	6	\$1,296,541	\$29.29	\$64,827
Hudson	18,113	3	\$1,197,074	\$38.06	\$59,854
Hull	11,050	1	\$90,162	\$25.76	\$4,508
Kingston	11,780	4	\$892,376	\$24.66	\$44,619
Lakeville	9,821	1	\$146,454	\$29.01	\$7,323
Lawrence	72,043	4	\$1,349,752	\$26.30	\$67,488
Lee	5,985	1	\$154,531	\$28.72	\$7,727
Leicester	10,471	1	\$175,641	\$30.14	\$8,782
Leominster	41,303	3	\$790,475	\$29.80	\$39,524
Lowell	105,167	8	\$1,701,390	\$25.65	\$85,070
Ludlow	21,209	4	\$656,186	\$29.50	\$32,809
Lynn	89,050	8	\$2,211,005	\$30.63	\$110,550
Lynnfield	11,542	1	\$159,976	\$23.81	\$7,999
Malden	56,340	10	\$4,043,896	\$30.01	\$202,194
Maynard	10,433	2	\$279,470	\$24.27	\$13,974
Medford	55,765	3	\$583,315	\$28.45	\$29,166
Melrose	27,134	1	\$161,152	\$26.50	\$8,058
Methuen	43,789	1	\$78,694	\$17.23	\$3,935
Millbury	12,784	1	\$152,322	\$29.29	\$7,616
Millville	2,724	1	\$0	\$0.00	\$0
Milton	26,062	2	\$1,132,158	\$37.69	\$56,608
Nantucket	9,520	1	\$1,165	\$20.08	\$58
Natick	32,170	1	\$188,779	\$29.53	\$9,439
New Bedford	93,768	7	\$1,535,005	\$23.10	\$76,750
Newton	83,829	1	\$504,934	\$34.37	\$25,247
North Adams	14,681	3	\$519,701	\$28.10	\$25,985
North Andover	27,202	1	\$131,063	\$26.60	\$6,553
Northampton	28,978	3	\$668,805	\$31.01	\$33,440
Northbridge	13,182	2	\$285,115	\$28.08	\$14,256
Norton	18,036	1	\$366,332	\$36.53	\$18,317
Norwood	28,587	3	\$658,736	\$28.98	\$32,937
Orange	7,518	2	\$503,605	\$30.33	\$25,180
Palmer	12,497	2	\$360,431	\$27.79	\$18,022
Peabody	48,129	5	\$959,592	\$22.04	\$47,980
Pembroke	16,927	4	\$1,133,564	\$32.23	\$56,678
Pittsfield	45,793	8	\$1,828,918	\$31.36	\$91,446
Plymouth	51,701	1	\$162,383	\$30.87	\$8,119

Summary of Bingo Receipts by City and Towns Conducting Bingo for the Period January 1, 2003-December 31, 2003

CITY/TOWN	POPULATION*	NUMBER OF LICENSEES	GROSS BINGO RECEIPTS	PER CAPITA SPENDING	5% TAX
Provincetown	3,431	2	\$72,482	\$22.62	\$3,624
Quincy	88,025	8	\$2,294,959	\$31.33	\$114,748
Randolph	30,963	2	\$953,297	\$37.76	\$47,665
Revere	47,283	3	\$982,192	\$31.32	\$49,110
Rockland	17,670	1	\$354,032	\$28.09	\$17,702
Salem	40,407	6	\$1,167,101	\$24.73	\$58,355
Sandwich	20,136	1	\$206,294	\$30.24	\$10,315
Saugus	26,078	2	\$280,068	\$24.18	\$14,003
Scituate	17,863	2	\$3,962	\$11.52	\$198
Somerville	77,478	8	\$1,608,944	\$29.38	\$80,447
South Hadley	17,196	1	\$0	\$0.00	\$0
Southbridge	17,214	2	\$386,225	\$31.73	\$19,311
Southwick	8,835	4	\$187,099	\$25.37	\$9,355
Spencer	11,691	1	\$169,964	\$29.02	\$8,498
Springfield	152,082	14	\$3,969,954	\$31.73	\$198,498
Stoneham	22,219	2	\$1,142,504	\$37.45	\$57,125
Stoughton	27,149	2	\$360,294	\$30.05	\$18,015
Sudbury	16,841	1	\$2,240	\$5.71	\$112
Swansea	15,901	1	\$136,779	\$25.00	\$6,839
Taunton	55,976	5	\$1,139,398	\$31.11	\$56,970
Tewksbury	28,851	3	\$762,478	\$25.11	\$38,124
Tisbury	3,755	1	\$47,809	\$34.00	\$2,390
Townsend	9,198	1	\$36,589	\$23.22	\$1,830
Upton	5,642	1	\$10,939	\$5.82	\$547
Wakefield	24,804	1	\$137,960	\$22.82	\$6,898
Waltham	59,226	3	\$585,082	\$30.29	\$29,254
Ware	9,707	1	\$212,370	\$27.01	\$10,619
Wareham	20,335	2	\$191,264	\$25.54	\$9,563
Watertown	32,986	4	\$1,257,179	\$30.92	\$62,859
Webster	16,415	2	\$310,059	\$35.13	\$15,503
West Bridgewater	6,634	1	\$194,406	\$29.96	\$9,720
West Springfield	27,899	5	\$286,790	\$29.13	\$14,340
Westborough	17,997	1	\$280,537	\$41.54	\$14,027
Westfield	40,072	4	\$237,522	\$23.18	\$11,876
Westport	14,183	1	\$274,955	\$28.87	\$13,748
Weymouth	53,988	6	\$1,046,682	\$27.41	\$52,334
Whitman	13,882	1	\$225,722	\$31.37	\$11,286
Wilbraham	13,473	1	\$121,528	\$28.66	\$6,076
Winchendon	9,611	1	\$242,315	\$28.90	\$12,116
Winchester	20,810	3	\$386,331	\$24.99	\$19,317
Woburn	37,258	2	\$163,886	\$25.43	\$8,194
Worcester	172,648	20	\$5,309,499	\$33.14	\$265,475
Yarmouth	24,807	1	\$409,014	\$33.52	\$20,451
GRAND TOTALS	4,582,195	404	\$88,208,825	\$29.90	\$4,410,443

Types of Organizations Conducting Bingo



There were 404 Licensed Bingo games in the Commonwealth during the calendar year 2003.

Number of Bingo Games Conducted by Day of the Week

There are Bingo games played throughout the Commonwealth every day of the week: Below is a table by day showing each of the Bingo games conducted per day.

MONDAY	56
TUESDAY	45
WEDNESDAY	66
THURSDAY	66
FRIDAY	62
SATURDAY	41
SUNDAY	68
TOTAL	404

FY 2003

History of Legislative Authority

Bingo (Beano) was legalized in the Commonwealth of Massachusetts on September 29, 1971. Effective September 4, 1973, Chapter 729 of the Acts of 1973 transferred responsibility for control of the operation of Bingo from the Massachusetts Department of Public Safety to the Massachusetts State Lottery Commission. By authority conferred in Section 38 of Chapter 10 of the General Laws, Rules and Regulations controlling Bingo were adopted on March 1, 1974 and amended in October 1974, July 1980, November 1991, March 1994 and October, 2000.

Effective January 1, 1978, Chapter 219 of the Acts of 1977 transferred responsibility for collection of the five percent Bingo and Raffle/Bazaar (Las Vegas Nights) Tax from the Department of Revenue to the Massachusetts State Lottery Commission. By authority conferred in Section 39A of Chapter 10 of the General Laws, Regulations Regarding Certain Raffle and Bazaar Permits were adopted earlier and amended in December 1980.

Senior Citizens' Recreational Bingo

Effective March 16, 1984, Chapter 619, Acts of 1983 allowed for the conduct of Recreational Bingo at Senior Citizens' or Golden Age Clubs for the recreation of members. This law requires said organizations apply for an identification number from the Massachusetts State Lottery Commission.

During 2003, the Massachusetts State Lottery Commission had on file 836 identification numbers issued for Senior Citizens' Recreational Bingo. Qualified organizations are provided certificates at no cost.