



# **CHARITABLE BINGO OPERATIONS DIVISION**

## **Texas Lottery Commission**

**2010 ANNUAL REPORT**

# A MESSAGE FROM THE CHAIRMAN AND THE DIRECTOR

**As evidenced by the increase in charitable bingo during calendar year 2010, the national economic downturn experienced in the last year has yet to directly impact charitable bingo in Texas.**

On behalf of the Commissioners and the Charitable Bingo Operations Division (Division) of the Texas Lottery Commission, we are pleased to present the Charitable Bingo Operations Division 2010 Annual Report.

Charitable bingo continues to play an important role in assisting many of Texas' nonprofit organizations with their charitable purposes. As evidenced by the increase in charitable bingo during calendar year 2010, the national economic downturn experienced in the last several years has yet to directly impact charitable bingo in Texas.

In 2010 reported total gross receipts were more than \$699 million—the highest since 1981 when charitable bingo was legalized in Texas. Pull-tab sales have seen an increase every year since 2002, and have increased 284 percent since 2001. Total prizes reported paid to players in 2010 exceeded \$526 million, the highest in the history of charitable bingo in Texas.

Charitable distributions saw a slight decrease after increasing six years in a row, with organizations reporting that they distributed \$34 million for their charitable purposes. This amount was more than three times their required charitable distribution, bringing charitable distributions since 1981 to more than \$971 million!

Furthermore, during calendar year 2010, \$18.3 million was deposited into the General Revenue Fund and an additional \$12.3 million dollars was allocated to cities and counties that share in the prize fees collected, as a result of bingo.

As a result of legislation enacted in 2009 that increased the allowable number of temporary licenses for organizations wanting to conduct bingo from 12 to 24, in calendar year 2010 Bingo issued 1,885 or 26.6 percent more temporary licenses to organizations than in 2009.

We strive to provide consistent, effective, and efficient regulation to the charitable bingo industry in Texas. We will continue to develop and implement policies and procedures that benefit licensees, the non-profit organizations conducting authorized bingo activities in Texas to raise funds for their charitable purposes, and ultimately the citizens of Texas.



Mary Ann Williamson, Chairman  
Texas Lottery Commission



Philip D. Sanderson, Director  
Charitable Bingo Operations Division

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# CHARITABLE BINGO OPERATIONS DIVISION



## Texas Lottery Commission

### *Agency Core Values*

*Integrity and Responsibility*—The Commission works hard to maintain the public trust by protecting and ensuring the security of our lottery games, systems, drawings and operational facilities. We value and require ethical behavior by our employees, licensees and vendors. We promote the integrity of charitable bingo in Texas for the benefit of charitable organizations.

*Innovation*—We strive to incorporate innovation into our products to provide the citizens of Texas with the best entertainment experience available through our products. We pursue the use of technology that enhances the services that we provide to our customers and reduces our operating expenses.

*Fiscal Accountability*—We emphasize fiscal accountability by ensuring that all expenditures directly or indirectly generate revenue, enhance security, fulfill regulatory requirements, improve customer service, and/or boost productivity. We recognize our responsibility in generating revenue for the state of Texas without unduly influencing players to participate in our games. We maximize benefits to charities through the continual examination and review of charitable bingo operations.

*Customer Responsiveness*—The Commission takes pride in providing exemplary service to the people of Texas through the courteous dissemination of clear and accurate information about our products, services and regulatory functions. We seek and respond to feedback expressed by our employees, retailers, licensees and the playing and non-playing public. We apply this feedback in the development of our products and in the services that we provide.

*Teamwork*—We are committed to creating an environment of mutual respect where open, honest communication is our cornerstone. We embrace the diversity of our team and individual perspectives in working together to achieve our common goals.

*Excellence*—We strive for excellence by taking a position of leadership on issues that impact the Commission and achieve challenging goals by focusing on our core values.



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## *Agency Vision*

To be the preeminent Lottery and Charitable Bingo agency through innovative leadership.

## *Charitable Bingo Operations Division*

### *Mission Statement*

Provide authorized organizations the opportunity to raise funds for their charitable purposes by conducting bingo. Determine that all charitable bingo funds are used for a lawful purpose. Promote and maintain the integrity of the charitable bingo industry throughout Texas.

## *Charitable Bingo Operations Division*

### *Regulatory Objective*

Charitable Bingo is an important fundraising activity for a variety of Texas nonprofit organizations. The Charitable Bingo Operations Division of the Texas Lottery Commission is charged with the strict control and close supervision of bingo conducted in this state so that bingo is fairly conducted and the proceeds from bingo are used for an authorized purpose. Our goal is to achieve voluntary compliance and assist licensees through training and education.

We will strive for the highest levels of professionalism, conducting our regulatory activities fairly, competently and consistently. We will develop clear regulatory requirements in an open environment, encouraging two-way communication.

# CHARITABLE BINGO OPERATIONS DIVISION

## *The Commissioners and the Director*

The three-member [Texas Lottery Commission](#) sets policy, promulgates rules for the agency, and performs all other duties required by law. The governor of Texas appoints Commission members, with advice and consent of the state senate, to staggered six-year terms. One member must have experience in the bingo industry.

The director of the Charitable Bingo Operations Division is appointed by and reports to the three-member Commission.

### ***Mary Ann Williamson, Chairman***



Mary Ann Williamson is a certified public accountant and owner of MKS Natural Gas Company. A member of the Texas Society of Certified Public Accountants, she previously served as a board member of the Weatherford Little League and volunteered with Couts Methodist Church and the Weatherford Independent School District.

Ms. Williamson received her bachelor's degree from the University of Texas at Austin and a master's of business administration from Texas Christian University.

Governor Rick Perry appointed Ms. Williamson to the Texas Lottery Commission on October 7, 2008. Governor Perry designated her as Chair of the Commission on March 27, 2009.

### ***J. Winston Krause Commissioner***



J. Winston Krause is a tax, estate and corporate lawyer and principal partner of Krause and Associates Inc. He is a member of the State Bar of Texas and the Austin Bar Association, and he volunteers his legal services in the community. Mr. Krause is also a committee member of the American Bar Association and a Certified Public Accountant according to the State Board of Public Accountancy.

An Eagle Scout, Mr. Krause is a former president of the Capitol Area Council of the Boys Scouts of America. He served as a member of the St. Stephen's School board of trustees and on the Tarrytown United Methodist Church Board of Trustees.

Mr. Krause received a bachelor's degree from the University of Texas at Austin and a law degree from Southern Methodist University.

Mr. Krause served as a member of the Behavioral Enforcement Committee for the Texas State Board of Accountancy from 1992 to 1996. Governor Rick Perry appointed Mr. Krause to the Texas Lottery Commission on March 27, 2009.

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## *Philip D. Sanderson, Director*

Phil Sanderson was appointed director of the Charitable Bingo Operations Division by the Texas Lottery Commission on May 16, 2007. Prior to that, he served as assistant director of the Charitable Bingo Operations Division from 1998 to 2007, as senior audit manager from 1995 to 1998, and as audit manager in the Houston Regional Office from 1994 to 1995.

Prior to working for the Texas Lottery Commission, he was an auditor for the Texas Alcoholic Beverage Commission from 1981 to 1994. From 1980 to 1981, he was an internal auditor for the Bayly Corporation.

He currently serves as secretary of the [North American Gaming Regulators Association](#) (NAGRA), a professional organization of federal, state, local, tribal, and provincial government agencies primarily responsible for regulation of legalized gaming activities.



# CHARITABLE BINGO OPERATIONS DIVISION

The BAC must represent a balance of interests in the charitable bingo industry in Texas.

## *Bingo Advisory Committee*

The purpose of the [Bingo Advisory Committee](#) (BAC) is to advise the Texas Lottery Commission on the needs and problems of the state's charitable bingo industry; comment on rules involving bingo during their development and before final adoption, unless an emergency requires immediate action by the [Commission](#); report annually to the Commission on the committee's activities; and other duties as assigned. The BAC is composed of nine individuals representing the following interest groups: the public, conductors that are not licensed commercial lessors, conductors that are licensed commercial lessors, commercial lessors, licensed manufacturers, and licensed distributors. Each member of the BAC is appointed for a three-year term. The three-member Texas Lottery Commission appoints members of the BAC. Appointments to the BAC must represent a balance of interests in the charitable bingo industry in Texas. The first Bingo Advisory Committee was appointed on March 25, 1995. The BAC meets on a quarterly basis or at the call of the Commission.

## *Bingo Advisory Committee Work Plan*

The BAC adopted a work plan on August 5, 2009. The Commissioners approved the work plan on August 18, 2009. The work plan defines the functions and duties of the BAC for the ensuing year. BAC work groups are formed to research bingo-related issues and to make recommendations to the Commission. Workgroups are composed of members of the BAC, staff of the Charitable Bingo Operations Division and/or Texas Lottery Commission, and may include individuals from the general public.

## **BAC Members**

<b>2010 – 2011 BAC COMMITTEE MEMBERS</b>	<b>REPRESENTING</b>	<b>LOCATION</b>	<b>TERM EXPIRES</b>
Joe Williams	Charity/Lessor	Abilene	08/12
Kimberly Rogers (Chair)	Charity/Lessor	San Antonio	08/13
Earl O. Silver (Vice-Chair)	Commercial Lessor	Houston	08/13
Tom Weekly	Charity	McAllen	08/11
Francis Ciancerilli	Charity	Mission	08/11
Markey Ford Beilue	Commercial Lessor	Bryan	08/11
Kenneth Messer	Charity	Longview	08/13
Melissa Young	Charity	The Woodlands	08/12
Emile S. Bourgoyne	Manufacturer/Distributor	Melville, LA	08/12

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## *Terminology in the 2010 Annual Report*

- **Act** – refers to the [Bingo Enabling Act](#), TEX. OCC. CODE ANN § 2001
- **Commission** – refers to the three member Texas Lottery Commission
- **Conductor** – a licensed authorized organization that holds a license to conduct bingo, also referred to as a licensed authorized organization
- **Distributor** – a person who obtains, by purchase or otherwise, bingo equipment or supplies for use in bingo in Texas and sells or furnishes the items to another person for use, resale, display or operation
- **Lessor** – a person licensed to lease premises for the purpose of conducting bingo, also referred to as a licensed commercial lessor
- **Licensed authorized organization (Conductor)** – an authorized organization that holds a license to conduct bingo
- **Licensed commercial lessor (Lessor)** – a person licensed to lease premises and act as a commercial lessor.
- **Manufacturer** – a person who assembles from raw materials or subparts a completed piece of bingo equipment or supplies for use in bingo games in Texas or a person who converts, modifies, adds to, or removes parts from any bingo equipment, item, or assembly to further its promotion or sale for or use in a bingo game in Texas
- **Person** – an individual, partnership, corporation, or other group
- **Rule or Rules** – refers to [Charitable Bingo Administrative Rules](#), 16 Tex. Admin. Code (TAC) ch. 402



# CHARITABLE BINGO OPERATIONS DIVISION

*§2001.060 Report to the governor, the lieutenant governor, the speaker of the House of Representatives, and the chairs of the standing committees of the Senate and House of Representatives with primary jurisdiction over charitable bingo.*

HB 1474 included language that added a reporting requirement that the Commission, on or before June 1 of each even-numbered year, shall prepare and deliver to the governor, the lieutenant governor, the speaker of the House of Representatives, and the chairs of the standing committees of the Senate and House of Representatives with primary jurisdiction over charitable bingo a report stating for each of the preceding two calendar years:

- (1) the total amount of adjusted gross receipts reported by licensed authorized organizations from their bingo operations;
- (2) the total amount of net proceeds reported by licensed authorized organizations from their bingo operations; and
- (3) a comparison of the amounts reported under Subdivisions (1) and (2), including the percentage that the net proceeds represents of the adjusted gross receipts.
- (4) For purposes of Subsection (a), “adjusted gross receipts” means the amount remaining after deducting prizes paid, excluding prize fees collected from bingo players.
- (5) For purposes of Subsection (a), the Commission shall determine the total amount of net proceeds in a manner that does not reduce gross receipts by the amount of rent paid for the rental of bingo premises by a licensed authorized organization to another licensed authorized organization if the other organization pays rent for the premises to a licensed commercial lessor.

Below is a table providing the information requested in §2001.060 of the Bingo Enabling Act:

	2009	2010
Adjusted Gross Receipts (AGR)	\$178,237,783	\$175,510,929
Other Expenses	\$145,086,862	\$147,209,492
Net Proceeds (NP)	\$33,150,920	\$28,301,437
NP as a percentage of AGR	18.60%	16.13%
Rent Income reported by Lessors	\$42,628,938	\$41,094,864
Rent Income reported by Conductor/Lessors	\$3,235,358	\$2,779,639
Rent Payments reported by conductors	\$41,086,980	\$40,346,536
Rent Income reported twice	\$1,197,187	\$1,096,808
Actual Rent Income	\$39,889,793	\$39,429,728

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## *Data in the 2010 Annual Report*

Data included in the 2010 Annual Report is for calendar years, unless indicated otherwise, and is unaudited. In most instances, data for 10 years (2001 – 2010) is included to provide a benchmark measurement for comparison and analysis. In some instances, data is included from 1982 through 2010 to provide an expanded basis for comparison and to show trends from the inception of bingo in Texas through 2010.

**In 2010, pull-tab sales exceeded regular bingo sales for the fifth time in the history of charitable bingo in Texas.**

### *Gross Receipts*

In 2010 total gross receipts were more than \$699 million—the highest they have been since 1981 when charitable bingo was legalized in Texas. In 2010, pull-tab sales exceeded regular paper bingo sales for the fifth time in the history of charitable bingo in Texas.

Card sales have decreased yearly since 1993 with the exception of 1995, which showed a small increase in bingo card sales of 0.28 percent. Electronic bingo card sales have increased each year since electronic bingo was authorized in 1995 and implemented in 1996 with the exception of 2005, when electronic bingo sales decreased by .037 percent.

The increase in total gross receipts in 2010 is attributable to the September 2002, action by the Commission when it approved the sale of sign-up board tickets, tip board tickets, event tickets, multiple-part event tickets, and multiple-part instant tickets. Pull-tab sales increased 284 percent from 2001 to 2010—from \$85,122,819 in 2001 to \$327,142,188 in 2010.

The record high gross receipts in 2010 were attained in spite of declining attendance. Attendance has declined each year from 1991 to 2008. Attendance shows a slight increase of .05 percent from 2008 to 2009 and a decrease of 1 percent from 2009 to 2010. Pull-tab sales have shown yearly increases since 2003.



**The record high gross receipts in 2010 were attained in spite of declining attendance.**

# CHARITABLE BINGO OPERATIONS DIVISION

The following table shows gross receipts from 2001 through 2010 and is based on information reported by licensed authorized organizations:

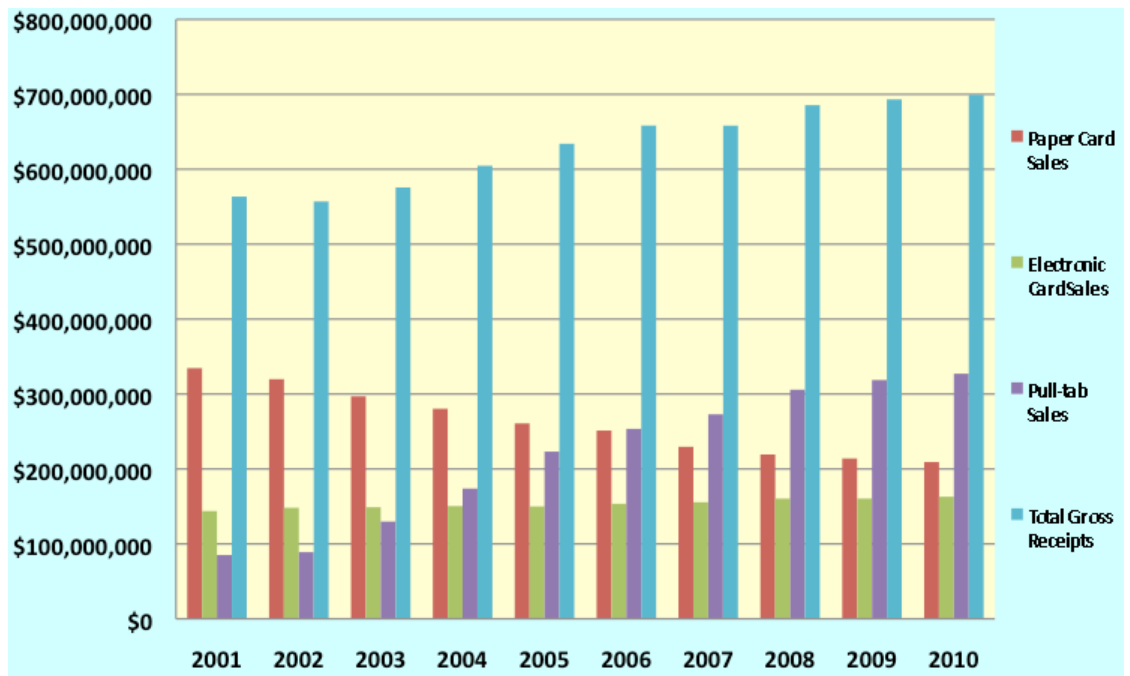
## Gross Receipts 2001 – 2010

YEAR	PAPER CARD SALES	ELECTRONIC CARD SALES	PULL-TAB SALES	TOTAL GROSS RECEIPTS
2001	\$334,606,017	\$143,791,528	\$85,122,819	\$563,520,364
2002	\$319,865,576	\$148,241,778	\$88,979,503	\$557,086,857
2003	\$296,955,280	\$148,921,116	\$129,825,563	\$575,701,959
2004	\$280,365,533	\$150,550,721	\$173,828,243	\$604,744,497
2005	\$260,841,381	\$150,000,823	\$223,189,408	\$634,031,612
2006	\$251,273,670	\$153,498,545	\$253,552,957	\$658,325,172
2007	\$229,601,120	\$155,641,627	\$272,957,738	\$658,200,485
2008	\$219,326,678	\$160,432,804	\$305,659,183	\$685,418,665
2009	\$213,737,648	\$160,484,266	\$318,705,640	\$692,927,554
2010	\$209,236,826	\$162,949,715	\$327,142,188	\$699,328,729

Figures as of 04/05/2011. Unaudited.

The following chart shows trends in gross receipts from 2001 – 2010:

## Trends in Charitable Bingo Gross Receipts 2001 – 2010



Figures as of 04/05/2011. Unaudited.

# 2010 ANNUAL REPORT

## Gross Receipts (cont'd)

The following table compares all categories of gross receipts and the percentage changes from year to year from 1982 through 2010 and is based on information reported by licensed authorized organizations:

### Changes in Bingo Gross Receipts by Category Calendar Years 1982 – 2010

YEAR	REGULAR/ ELECTRONIC CARD SALES	% CHANGE CARD SALES	PULL-TAB SALES	% CHANGE PULL-TAB SALES	TOTAL GROSS RECEIPTS	% CHANGE TOTAL GROSS RECEIPTS
1982	\$66,488,368				\$66,488,368	
1983	\$163,172,680	145.42%	\$87		\$163,172,767	145.42%
1984	\$217,137,488	33.07%	\$4,676,582	5375281.61%	\$221,814,070	35.94%
1985	\$243,420,805	12.10%	\$11,872,941	153.88%	\$255,293,746	15.09%
1986	\$289,108,477	18.77%	\$13,548,709	14.11%	\$302,657,186	18.55%
1987	\$331,938,566	14.81%	\$36,086,789	166.35%	\$368,025,355	21.60%
1988	\$365,110,091	9.99%	\$101,901,561	182.38%	\$467,011,652	26.90%
1989	\$419,677,774	14.95%	\$130,997,997	28.55%	\$550,675,771	17.91%
1990	\$467,113,452	11.30%	\$154,335,596	17.82%	\$621,449,048	12.85%
1991	\$499,971,275	7.03%	\$173,501,233	12.42%	\$673,472,508	8.37%
1992	\$503,400,917	0.69%	\$164,719,328	-5.06%	\$668,120,245	-0.79%
1993	\$500,434,638	-0.59%	\$151,592,343	-7.97%	\$652,026,981	-2.41%
1994	\$496,971,984	-0.69%	\$141,599,698	-6.59%	\$638,571,682	-2.06%
1995	\$498,377,085	0.28%	\$139,807,479	-1.27%	\$638,184,564	-0.06%
1996	\$489,338,909	-1.81%	\$121,926,846	-12.79%	\$611,265,755	-4.22%
1997	\$491,924,053	0.53%	\$104,888,564	-13.97%	\$596,812,617	-2.36%
1998	\$506,849,475	3.03%	\$99,177,810	-5.44%	\$606,027,285	1.54%
1999	\$510,317,138	0.68%	\$96,753,377	-2.44%	\$607,070,515	0.17%
2000	\$493,414,252	-3.31%	\$89,353,141	-7.65%	\$582,767,393	-4.00%
2001	\$478,397,545	-3.04%	\$85,122,819	-4.73%	\$563,520,364	-3.30%
2002	\$468,107,354	-2.15%	\$88,979,503	4.53%	\$557,086,857	-1.14%
2003	\$445,876,396	-4.75%	\$129,825,563	45.91%	\$575,701,959	3.34%
2004	\$430,916,254	-3.36%	\$173,828,243	33.89%	\$604,744,497	5.04%
2005	\$410,842,204	-4.66%	\$223,189,408	28.40%	\$634,031,612	4.84%
2006	\$404,772,215	-1.48%	\$253,552,957	13.60%	\$658,325,172	3.83%
2007	\$385,245,447	-4.82%	\$272,958,293	7.65%	\$658,203,740	-0.02%
2008	\$379,825,563	-1.41%	\$305,748,049	12.01%	\$685,573,612	4.16%
2009	\$374,586,512	-1.38%	\$318,705,418	4.24%	\$693,291,930	1.13%
2010	\$372,186,541	-0.64%	\$327,142,188	2.65%	\$699,328,729	0.87%
<b>TOTAL</b>	<b>\$11,704,923,458</b>		<b>\$3,915,792,522</b>		<b>\$15,620,715,980</b>	

Figures as of 04/05/2011. Unaudited.

# CHARITABLE BINGO OPERATIONS DIVISION

## Gross Receipts (cont'd)

The following table shows, by county, gross receipts, prizes, charitable distributions and the percentage changes from 2009 to 2010 as reported by licensed authorized organizations:

### Compares Gross Receipts, Prizes, and Charitable Distributions and the Percentage of Change by County

COUNTY	GROSS RECEIPTS			PRIZES			CHARITABLE DISTRIBUTIONS		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
ANDERSON	\$923,863	\$1,068,089	13.50%	\$713,394	\$843,620	15.44%	\$36,489	\$49,699	26.58%
ANDREWS	\$83,787	\$70,094	-19.54%	\$71,030	\$59,360	-19.66%	\$8,475	\$8,125	-4.31%
ANGELINA	\$5,081,829	\$3,586,536	-41.69%	\$3,667,609	\$2,569,842	-42.72%	\$341,314	\$502,278	32.05%
ARANSAS	\$508,236	\$484,246	-4.95%	\$338,175	\$342,725	1.33%	\$28,293	\$16,229	-74.34%
ATASCOSA	\$506,483	\$407,033	-24.43%	\$416,453	\$327,300	-27.24%	\$18,189	\$29,660	38.67%
AUSTIN	\$645,126	\$609,067	-5.92%	\$479,482	\$453,428	-5.75%	\$61,944	\$57,116	-8.45%
BANDERA	\$147,928	\$151,080	2.09%	\$116,585	\$107,002	-8.96%	\$16,253	\$11,413	-42.41%
BASTROP	\$431,699	\$419,980	-2.79%	\$338,654	\$322,499	-5.01%	\$20,312	\$19,975	-1.69%
BEE	\$420,648	\$440,948	4.60%	\$325,503	\$339,468	4.11%	\$54,397	\$43,334	-25.53%
BELL	\$43,934,077	\$44,110,350	0.40%	\$32,664,775	\$32,817,048	0.46%	\$3,753,816	\$3,306,122	-13.54%
BEXAR	\$89,266,749	\$96,699,905	7.69%	\$71,382,314	\$77,056,964	7.36%	\$3,898,517	\$3,576,427	-9.01%
BLANCO	\$1,044	\$852	-22.54%	\$900	\$800	-12.50%	\$1,019		0.00%
BOWIE	\$4,682,835	\$3,916,124	-19.58%	\$3,222,404	\$2,559,729	-25.89%	\$228,654	\$255,558	10.53%
BRAZORIA	\$1,477,541	\$1,400,461	-5.50%	\$1,037,015	\$1,017,586	-1.91%	\$169,059	\$144,837	-16.72%
BRAZOS	\$10,849,542	\$11,134,300	2.56%	\$7,997,494	\$8,293,356	3.57%	\$690,617	\$416,660	-65.75%
BREWSTER	\$139,617	\$105,339	-32.54%	\$111,787	\$83,270	-34.25%	\$11,345	\$6,859	-65.40%
BROOKS	\$25,965	\$19,794	-31.18%	\$20,600	\$12,830	-60.56%	\$1,050	\$2,023	48.10%
BROWN	\$2,969,658	\$2,920,987	-1.67%	\$2,267,804	\$2,208,715	-2.68%	\$326,104	\$186,500	-74.85%
BURLESON	\$836,860	\$843,772	0.82%	\$675,270	\$689,719	2.09%	\$43,731	\$28,924	-51.19%
BURNET	\$337,026	\$381,075	11.56%	\$262,791	\$295,626	11.11%	\$7,567	\$4,260	-77.63%
CALDWELL	\$114,061	\$105,933	-7.67%	\$88,603	\$89,137	0.60%	\$11,158	\$3,071	-263.33%
CALHOUN	\$306,875	\$294,208	-4.31%	\$257,410	\$238,206	-8.06%	\$10,890	\$4,083	-166.72%
CAMERON	\$10,660,714	\$9,648,132	-10.50%	\$8,090,345	\$7,382,212	-9.59%	\$387,287	\$292,122	-32.58%
CARSON	\$881	\$963	8.52%	\$690	\$650	-6.15%	\$166	\$288	42.36%
CASTRO	\$1,326	\$2,289	42.07%	\$663	\$1,145	42.10%	\$599	\$1,088	44.94%
COLLIN	\$4,332,148	\$4,415,669	1.89%	\$3,135,657	\$3,236,708	3.12%	\$181,806	\$118,870	-52.95%
COLORADO	\$138,785	\$120,960	-14.74%	\$112,662	\$99,194	-13.58%	\$20,489	\$18,284	-12.06%
COMAL	\$974,303	\$901,456	-8.08%	\$749,241	\$698,748	-7.23%	\$62,042	\$62,949	1.44%
CONCHO	\$1,318	\$1,500	12.13%	\$470	\$600	21.67%		\$900	100.00%
COOKE	\$306,846	\$67,768	-352.79%	\$221,949	\$46,820 w	-374.05%	\$16,135	\$5,122	-215.01%

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## Gross Receipts (cont'd)

### Compares Gross Receipts, Prizes, and Charitable Distributions and the Percentage of Change by County

COUNTY	GROSS RECEIPTS			PRIZES			CHARITABLE DISTRIBUTIONS		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
CORYELL	\$7,284,667	\$9,252,764	21.27%	\$5,891,951	\$7,721,086	23.69%	\$147,291	\$141,588	-4.03%
CROCKETT	\$3,616	\$2,044	-76.91%	\$2,600	\$900	-188.89%	\$3,300		0.00%
DALLAS	\$58,644,234	\$59,518,628	1.47%	\$42,326,626	\$43,404,413	2.48%	\$2,198,032	\$1,431,907	-53.50%
DEAF SMITH	\$367,380	\$357,973	-2.63%	\$269,725	\$262,263	-2.85%	\$33,261	\$31,826	-4.51%
DENTON	\$2,486,518	\$2,345,746	-6.00%	\$1,850,006	\$1,777,127	-4.10%	\$18,498	\$20,812	11.12%
DEWITT	\$231,756	\$189,252	-22.46%	\$183,141	\$137,906	-32.80%	\$13,922	\$26,267	47.00%
DIMMIT	\$914,636	\$933,005	1.97%	\$711,144	\$729,255	2.48%	\$94,483	\$90,500	-4.40%
DUVAL	\$163,685	\$130,480	-25.45%	\$118,734	\$96,000	-23.68%	\$32,405	\$28,067	-15.46%
EASTLAND	\$123,852	\$52,663	-135.18%	\$101,390	\$44,755	-126.54%	\$3,559	\$1,020	-248.92%
ECTOR	\$19,204,816	\$17,963,479	-6.91%	\$15,149,655	\$14,227,293	-6.48%	\$911,211	\$912,384	0.13%
EL PASO	\$6,363,949	\$6,550,653	2.85%	\$4,466,782	\$4,496,740	0.67%	\$871,102	\$877,556	0.74%
ELLIS	\$870,811	\$825,702	-5.46%	\$630,807	\$637,412	1.04%	\$103,647	\$111,234	6.82%
ERATH	\$1,062,009	\$989,145	-7.37%	\$707,288	\$692,122	-2.19%	\$52,900	\$27,043	-95.61%
FALLS	\$4,190	\$5,015	16.45%	\$1,949	\$1,828	-6.62%	\$1,102	\$3,137	64.87%
FAYETTE	\$218,000	\$234,945	7.21%	\$159,049	\$171,033	7.01%	\$39,403	\$45,908	14.17%
FORT BEND	\$1,250,191	\$1,199,468	-4.23%	\$907,047	\$892,805	-1.60%	\$129,200	\$164,864	21.63%
FRANKLIN	\$1,494,652	\$1,524,598	1.96%	\$1,138,723	\$1,189,985	4.31%	\$107,252	\$113,941	5.87%
FREESTONE	\$750,183	\$746,950	-0.43%	\$524,295	\$549,221	4.54%	\$81,943	\$77,668	-5.50%
FRIO	\$117,293	\$164,957	28.89%	\$95,064	\$122,069	22.12%	\$26,500	\$37,199	28.76%
GALVESTON	\$6,856,954	\$6,744,523	-1.67%	\$4,842,661	\$4,600,631	-5.26%	\$451,850	\$731,503	38.23%
GILLESPIE	\$88,812	\$42,677	-108.10%	\$70,736	\$33,716	-109.80%	\$7,559	\$8,965	15.68%
GLASSCOCK	\$3,185		0.00%	\$900		0.00%	\$2,285		0.00%
GONZALES	\$2,680	\$10,500	74.48%	\$812	\$1,068	23.97%	\$1,793	\$9,357	80.84%
GRAY	\$54,645	\$43,898	-24.48%	\$40,483	\$31,477	-28.61%	\$2,000	\$1,500	-33.33%
GRAYSON	\$2,850,498	\$2,775,816	-2.69%	\$2,244,401	\$2,143,622	-4.70%	\$100,393	\$132,427	24.19%
GREGG	\$8,995,471	\$9,421,125	4.52%	\$6,531,610	\$7,002,170	6.72%	\$228,628	\$193,441	-18.19%
GRIMES	\$4,500			\$860			\$4,295		
GUADALUPE	\$5,189,785	\$4,934,310	-5.18%	\$3,903,898	\$3,739,830	-4.39%	\$572,750	\$437,251	-30.99%
HARRIS	\$51,474,930	\$48,976,675	-5.10%	\$38,920,546	\$37,239,238	-4.51%	\$1,550,023	\$1,332,116	-16.36%
HASKELL							\$3,378		
HAYS	\$205,631	\$228,261	9.91%	\$143,684	\$153,733	6.54%	\$35,821	\$67,040	46.57%
HENDERSON	\$1,765,631	\$4,572,133	61.38%	\$1,152,921	\$3,605,438	68.02%	\$89,236	\$42,116	-111.88%

# CHARITABLE BINGO OPERATIONS DIVISION

## Gross Receipts (cont'd)

### Compares Gross Receipts, Prizes, and Charitable Distributions and the Percentage of Change by County

COUNTY	GROSS RECEIPTS			PRIZES			CHARITABLE DISTRIBUTIONS		
	2009	2010	% Change	2009	2010	% Change	2009	2010	% Change
HIDALGO	\$25,896,427	\$26,714,500	3.06%	\$18,278,865	\$18,591,463	1.68%	\$1,119,578	\$1,785,784	37.31%
HILL	\$3,895,751	\$1,726,121	-125.69%	\$2,997,940	\$1,349,181	-122.20%	\$50,731	\$12,709	-299.17%
HOOD	\$86,502	\$803,100	89.23%	\$67,097	\$642,199	89.55%	\$15,000	\$26,476	43.34%
HOPKINS	\$163,092	\$50,505	-222.92%	\$108,207	\$42,304	-155.78%	\$8,201	\$15,948	48.58%
HOUSTON	\$62,869	\$41,114	-52.91%	\$53,510	\$35,627	-50.20%	\$4,325	\$5,629	23.17%
HOWARD	\$1,009,275	\$1,006,936	-0.23%	\$692,008	\$689,257	-0.40%	\$93,615	\$141,656	33.91%
HUNT	\$156,089	\$68,513	-127.82%	\$114,485	\$50,574	-126.37%	\$14,326	\$3,375	-324.47%
HUTCHINSON	\$190,075	\$159,782	-18.96%	\$128,357	\$118,986	-7.88%	\$32,370	\$19,299	-67.73%
JACK		\$19,012	100.00%		\$15,178	100.00%		\$1,266	100.00%
JACKSON	\$30,478	\$7,293	-317.91%	\$24,287	\$6,374	-281.03%	\$1,502		0.00%
JEFFERSON	\$10,803,956	\$9,760,203	-10.69%	\$7,456,795	\$6,712,171	-11.09%	\$612,487	\$455,926	-34.34%
JIM HOGG	\$15,569	\$52,730	70.47%	\$9,579	\$37,325	74.34%	\$1,525	\$5,503	72.29%
JIM WELLS	\$729,326	\$642,668	-13.48%	\$536,346	\$466,993	-14.85%	\$109,963	\$134,250	18.09%
JOHNSON	\$2,737,353	\$3,602,239	24.01%	\$2,153,938	\$2,951,067	27.01%	\$209,434	\$151,877	-37.90%
KARNES	\$348,120	\$278,986	-24.78%	\$253,324	\$214,539	-18.08%	\$42,358	\$14,006	-202.43%
KAUFMAN	\$269			\$161			\$83		
KENDALL	\$1,341	\$2,280	41.18%	\$670	\$550	-21.82%	\$646	\$1,705	62.11%
KENEDY	\$400			\$400			\$350		
KERR	\$1,325,275	\$1,015,081	-30.56%	\$1,010,837	\$739,021	-36.78%	\$96,821	\$76,983	-25.77%
KINNEY	\$19,104	\$20,364	6.19%	\$13,036	\$12,781	-2.00%	\$943	\$2,100	55.10%
KLEBERG	\$575,579	\$584,530	1.53%	\$383,979	\$392,324	2.13%	\$51,076	\$41,657	-22.61%
LA SALLE	\$394,969	\$299,764	-31.76%	\$345,947	\$264,714	-30.69%	\$28,300	\$11,306	-150.31%
LAMAR	\$3,383,955	\$2,915,154	-16.08%	\$2,656,501	\$2,298,594	-15.57%	\$155,062	\$127,971	-21.17%
LAVACA	\$1,388,455	\$1,381,493	-0.50%	\$1,061,524	\$1,051,846	-0.92%	\$44,708	\$79,837	44.00%
LEE	\$1,043	\$1,810	42.38%	\$514	\$1,033	50.24%	\$277	\$464	40.30%
LEON	\$29,235	\$28,837	-1.38%	\$18,978	\$21,067	9.92%	\$11,500	\$10,000	-15.00%
LIBERTY	\$575,486	\$664,145	13.35%	\$476,578	\$559,797	14.87%	\$11,527	\$9,610	-19.95%
LIVE OAK	\$3,930	\$4,063	3.27%	\$2,066	\$4,025	48.67%	\$3,430	\$1,500	-128.67%
LLANO	\$2,679	\$2,391	-12.05%	\$2,025	\$1,705	-18.77%	\$210	\$530	60.38%
LUBBOCK	\$30,933,906	\$31,218,949	0.91%	\$23,073,108	\$23,781,173	2.98%	\$1,548,504	\$1,416,448	-9.32%
LYNN	\$313,259	\$314,433	0.37%	\$244,046	\$250,002	2.38%	\$53,675	\$49,050	-9.43%
MARTIN	\$1,191	\$945	-26.03%	\$1,194	\$724	-64.92%	\$1,191	\$172	-592.44%
MATAGORDA	\$1,485,963	\$1,276,609	-16.40%	\$1,049,009	\$959,186	-9.36%	\$110,631	\$41,066	-169.40%

# 2010 ANNUAL REPORT

## Gross Receipts (cont'd)

### Compares Gross Receipts, Prizes, and Charitable Distributions and the Percentage of Change by County

COUNTY	GROSS RECEIPTS			PRIZES			CHARITABLE DISTRIBUTIONS		
	2009	2010		2009	2010		2009	2010	
MAVERICK	\$169,282	\$160,886	-5.22%	\$120,000	\$115,000	-4.35%	\$12,630	\$57,195	77.92%
MCCULLOCH	\$148,319	\$133,250	-11.31%	\$106,377	\$99,050	-7.40%	\$17,393	\$24,093	27.81%
MCLENNAN	\$18,115,900	\$19,366,786	6.46%	\$13,637,205	\$14,839,397	8.10%	\$1,804,504	\$1,453,313	-24.16%
MEDINA	\$263,596	\$277,075	4.86%	\$169,639	\$194,701	12.87%	\$68,828	\$58,542	-17.57%
MENARD	\$27,385	\$25,904	-5.72%	\$17,075	\$18,679	8.59%	\$2,338	\$3,746	37.59%
MIDLAND	\$8,929,779	\$9,200,465	2.94%	\$6,587,019	\$6,810,877	3.29%	\$496,896	\$571,434	13.04%
MILAM	\$796,607	\$760,891	-4.69%	\$637,068	\$617,887	-3.10%	\$17,204	\$17,587	2.18%
MITCHELL	\$675			\$600			\$50		
MONTAGUE	\$109,436	\$94,336	-16.01%	\$87,639	\$73,060	-19.95%	\$8,923	\$13,760	35.15%
MONTGOMERY	\$14,845,624	\$13,637,065	-8.86%	\$11,528,245	\$10,668,922	-8.05%	\$652,999	\$699,878	6.70%
MOORE	\$174,503	\$155,801	-12.00%	\$119,439	\$106,867	-11.76%	\$16,341	\$40,960	60.10%
NACOGDOCHES	\$3,801,972	\$4,149,219	8.37%	\$2,874,108	\$3,084,225	6.81%	\$114,249	\$183,736	37.82%
NAVARRO		\$1,218,217	100.00%		\$964,863	100.00%		\$5,814	100.00%
NOLAN	\$2,539	\$4,846	47.61%	\$1,150	\$1,000	-15.00%	\$1,389	\$3,796	63.41%
NUECES	\$33,131,832	\$30,582,06	-8.34%	\$24,848,341	\$22,626,670	-9.82%	\$1,546,871	\$1,834,950	15.70%
ORANGE	\$46,285	\$82,100	43.62%	\$44,625	\$75,576	40.95%	\$995	\$3,325	70.08%
PALO PINTO	\$1,096,102	\$1,191,232	7.99%	\$761,244	\$838,430	9.21%	\$150,848	\$96,891	-55.69%
PARKER		\$473,852	100.00%		\$363,192	100.00%		\$4,659	100.00%
PECOS	\$45,725	\$56,539	19.13%	\$36,044	\$43,975	18.04%	\$1,300		
POLK	\$2,129,681	\$2,101,824	-1.33%	\$1,641,616	\$1,618,674	-1.42%	\$65,739	\$84,772	22.45%
POTTER	\$11,416,643	\$11,654,705	2.04%	\$8,264,106	\$8,387,413	1.47%	\$593,948	\$647,460	8.26%
REAL	\$5,997	\$5,588	-7.32%	\$4,245	\$4,289	1.03%	\$3,944	\$816	-383.33%
REFUGIO	\$116,564	\$111,665	-4.39%	\$92,190	\$92,741	0.59%	\$5,298	\$2,604	-103.46%
ROBERTS	\$700	\$800	12.50%	\$100	\$200	50.00%	\$575	\$575	0.00%
ROBERTSON	\$9,581	\$5,559	-72.35%	\$4,870	\$2,521	-93.18%	\$4,469	\$2,938	-52.11%
RUNNELS	\$4,607	\$5,434	15.22%	\$1,153	\$1,397	17.47%	\$3,404	\$3,987	14.62%
SABINE	\$115,935	\$119,462	2.95%	\$86,435	\$85,584	-0.99%	\$4,091	\$3,896	-5.01%
SAN PATRICIO	\$415,564	\$419,394	0.91%	\$314,398	\$340,444	7.65%	\$85,581	\$82,448	-3.80%
SCURRY	\$804,256	\$758,671	-6.01%	\$581,584	\$543,162	-7.07%	\$10,336	\$81,467	87.31%
SMITH	\$4,048,662	\$4,098,941	1.23%	\$2,768,684	\$2,870,146	3.54%	\$182,341	\$155,173	-17.51%
STARR	\$3,419,072	\$3,407,958	-0.33%	\$2,533,453	\$2,514,726	-0.74%	\$142,741	\$149,569	4.57%
TARRANT	\$62,804,08	\$61,177,330	-2.66%	\$46,307,318	\$45,823,709	-1.06%	\$1,827,142	\$1,238,871	-47.48%
TAYLOR	\$14,669,238	\$14,134,194	-3.79%	\$11,675,530	\$11,330,053	-3.05%	\$333,157	\$373,669	10.84%

# CHARITABLE BINGO OPERATIONS DIVISION

## Gross Receipts (cont'd)

### Compares Gross Receipts, Prizes, and Charitable Distributions and the Percentage of Change by County

COUNTY	GROSS RECEIPTS			PRIZES			CHARITABLE DISTRIBUTIONS		
	2009	2010		2009	2010		2009	2010	
TOM GREEN	\$4,426,172	\$4,527,837	2.25%	\$3,179,469	\$3,334,940	4.66%	\$115,644	\$78,997	-46.39%
TRAVIS	\$29,998,241	\$32,800,346	8.54%	\$20,704,511	\$23,481,332	11.83%	\$3,258,154	\$2,628,505	-23.95%
TRINITY	\$359,200	\$349,583	-2.75%	\$250,000	\$252,500	0.99%	\$55,738	\$42,997	-29.63%
UPSHUR	\$592	\$525	-12.76%	\$145	\$130	-11.54%	\$297	\$304	2.30%
UVALDE	\$969	\$997	2.81%	\$1,147	\$350	-227.71%	\$315	\$622	49.36%
VAL VERDE	\$2,424,320	\$2,601,076	6.80%	\$1,759,597	\$1,808,279	2.69%	\$122,983	\$283,068	56.55%
VICTORIA	\$6,985,287	\$6,376,472	-9.55%	\$5,370,421	\$4,883,619	-9.97%	\$47,171	\$68,077	30.71%
WALKER	\$256,696	\$220,987	-16.16%	\$216,396	\$195,400	-10.75%	\$4,024	\$3,843	-4.71%
WALLER	\$1,644			\$550			\$1,619		
WARD	\$39,224			\$33,353			\$950		
WASHINGTON	\$570,839	\$511,181	-11.67%	\$428,821	\$387,479	-10.67%	\$26,989	\$20,677	-30.53%
WEBB	\$7,541,353	\$8,030,978	6.10%	\$5,484,064	\$5,877,145	6.69%	\$510,565	\$709,697	28.06%
WHARTON	\$848,270	\$817,401	-3.78%	\$636,250	\$628,160	-1.29%	\$42,146	\$36,928	-14.13%
WICHITA	\$4,910,563	\$3,862,819	-27.12%	\$3,938,611	\$3,016,396	-30.57%	\$85,303	\$63,616	-34.09%
WILBARGER	\$288,023	\$236,608	-21.73%	\$234,301	\$198,444	-18.07%	\$6,136	\$3,173	-93.38%
WILLIAMSON	\$5,255,770	\$7,711,517	31.85%	\$3,734,655	\$5,825,856	35.90%	\$659,288	\$758,631	13.10%
WILSON	\$180,845	\$98,785	-83.07%	\$152,218	\$71,104	-114.08%	\$14,047	\$19,297	27.21%
WINKLER	\$95,613	\$78,473	-21.84%	\$76,860	\$70,438	-9.12%	\$2,763	\$2,282	-21.08%
WISE	\$1,768			\$989			\$384		
WOOD	\$729,050	\$788,993	7.60%	\$538,484	\$589,855	8.71%	\$21,888	\$15,624	-40.09%
YOUNG	\$73,776	\$61,889	-19.21%	\$56,784	\$53,080	-6.98%	\$5,641	\$7,271	22.42%
ZAPATA	\$90,350			\$78,993			\$1,340		
ZAVALA	\$829,369	\$964,102	13.97%	\$593,026	\$668,189	11.25%	\$117,800	\$270,675	56.48%
<b>TOTAL</b>	<b>\$693,291,930</b>	<b>\$699,343,469</b>	<b>0.87%</b>	<b>\$518,393,673</b>	<b>\$526,661,349</b>	<b>1.57%</b>	<b>\$36,038,797</b>	<b>\$33,831,724</b>	<b>-6.52%</b>

As of 03/18/2011 unaudited.

Net receipts is the sum of card sale entrance fees, electronic card sales, and pull-tab bingo sales less total bingo prizes awarded. Net proceeds is the sum of net receipts plus all other income (rent income, interest earned, the value of merchandise prizes donated) less total expenses.

The following table compares net receipts to net proceeds and net proceeds as a percentage of net receipts from 2001 through 2010:

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## *Net Receipts and Net Proceeds and Net Proceeds as a Percentage of Net Receipts 2001 – 2010*

YEAR	ADJUSTED GROSS RECEIPTS	NET PROCEEDS	NET PROCEEDS AS A PERCENTAGE OF ADJUSTED GROSS RECEIPTS
2001	\$163,537,327.74	\$34,317,814.89	20.98%
2002	\$159,166,630.30	\$31,641,671.13	19.88%
2003	\$158,291,569.90	\$30,163,735.53	19.06%
2004	\$159,896,142.96	\$32,472,031.85	20.31%
2005	\$162,527,772	\$33,377,825.30	20.54%
2006	\$166,143,419	\$34,287,514.84	20.64%
2007	\$164,864,216	\$34,053,668.34	20.66%
2008	\$172,344,954	\$36,436,987.07	21.14%
2009	\$174,897,212	\$33,150,377	18.95%
2010	\$172,700,419	\$28,726,073	16.63%

Figures as of 04/05/2011. Unaudited.

## *Prizes Paid To Players*

A bingo prize may not have a value of more than \$750 for a single game. For regular bingo games, the total value of prizes awarded during a bingo occasion cannot exceed \$2,500. Note: A bingo occasion may not exceed four hours.

Total prizes paid to players in 2010 exceeded \$526 million, the highest since the issuance of the first bingo licenses in 1982. The

increase in prizes paid to players is attributable to pull-tab prizes that were the highest since the inception of the sale of pull-tabs in Texas.

The following table shows prizes paid to players from 2001 through 2010 based on information reported by licensed authorized organizations:

## *Bingo Prizes Paid to Players 2001 – 2010*

YEAR	REGULAR & ELECTRONIC PRIZES	PULL-TAB PRIZES	TOTAL PRIZES
2001	\$340,455,275	\$59,527,761	\$399,983,036
2002	\$335,116,214	\$62,804,013	\$397,920,227
2003	\$323,572,683	\$93,837,323	\$417,410,005
2004	\$317,787,262	\$127,059,540	\$444,846,802
2005	\$307,627,809	\$163,876,031	\$471,503,840
2006	\$307,784,184	\$184,397,569	\$492,181,753
2007	\$295,665,506	\$197,674,018	\$493,339,524
2008	\$291,822,316	\$221,406,342	\$513,228,658
2009	\$288,581,987	\$229,811,686	\$518,393,673
2010	\$291,733,761	\$234,910,293	\$526,644,054

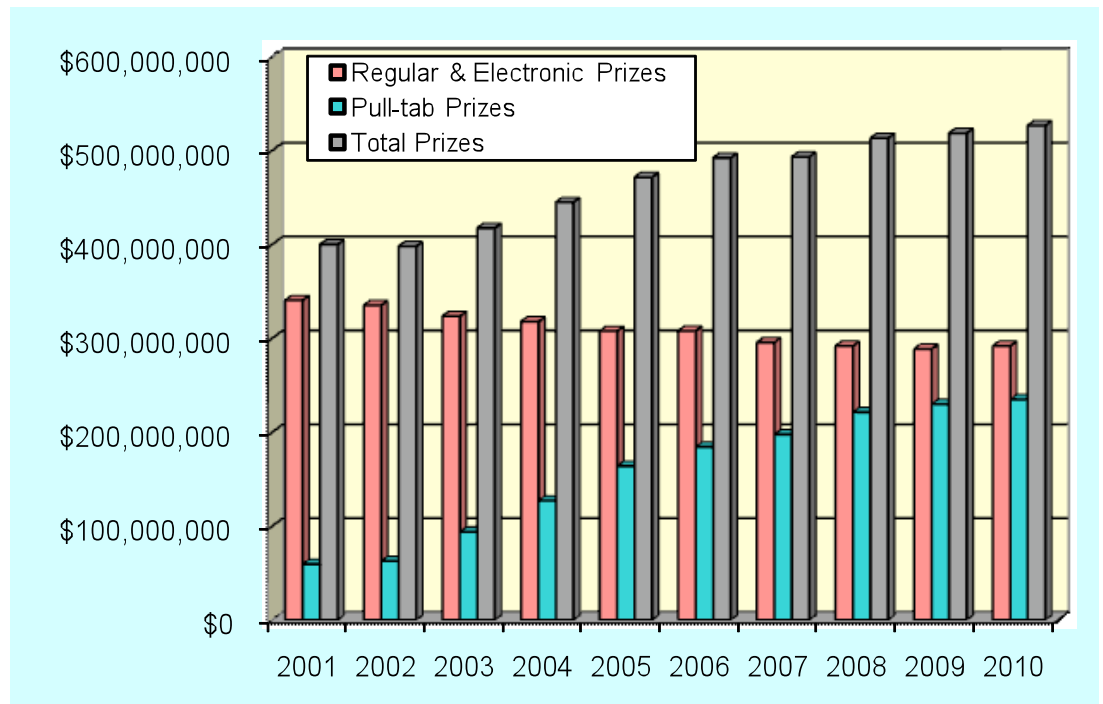
Figures as of 04/05/2011. Unaudited.

# CHARITABLE BINGO OPERATIONS DIVISION

## *Prizes Paid To Players (cont'd)*

The following chart shows trends in prizes paid to players from 2001 – 2010:

### **Prizes Paid to Players 2001 – 2010**



Figures as of 04/05/2011. Unaudited.



# 2010 ANNUAL REPORT

Total charitable distributions derived from charitable bingo activities in Texas from 1982 through 2010 have surpassed \$971 million dollars.

## *Charitable Distributions*

Licensed authorized organization must disburse all net proceeds from the preceding quarter. Under Section 2001.457 of the Act, a licensed authorized organization must disburse all net proceeds from the preceding quarter less the retained operating capital.

Charitable distributions in 2010 totaled \$33.9 million, down slightly from \$36 million in 2009. Despite the fact that distributions to charitable organizations had an increase every year from 2002 to 2009, in 2010, there was a downturn of \$2.1 million in distributions compared to the previous year. Total charitable distributions derived from charitable bingo activities in Texas from 1982 through 2010 have surpassed \$971 million. The charitable distributions generated from charitable bingo activities in Texas enabled Texas charities to benefit needy or deserving persons in Texas, to initiate, perform or foster worthy public works in Texas or to further the erection or maintenance of public structures in the state.

The data in the following table compares minimum required charitable distributions by the Bingo Enabling Act to charitable distributions reported by licensed authorized organizations from 2001 through 2010:

### ***Required Charitable Distributions Compared to Reported Charitable Distributions 2001 – 2010***

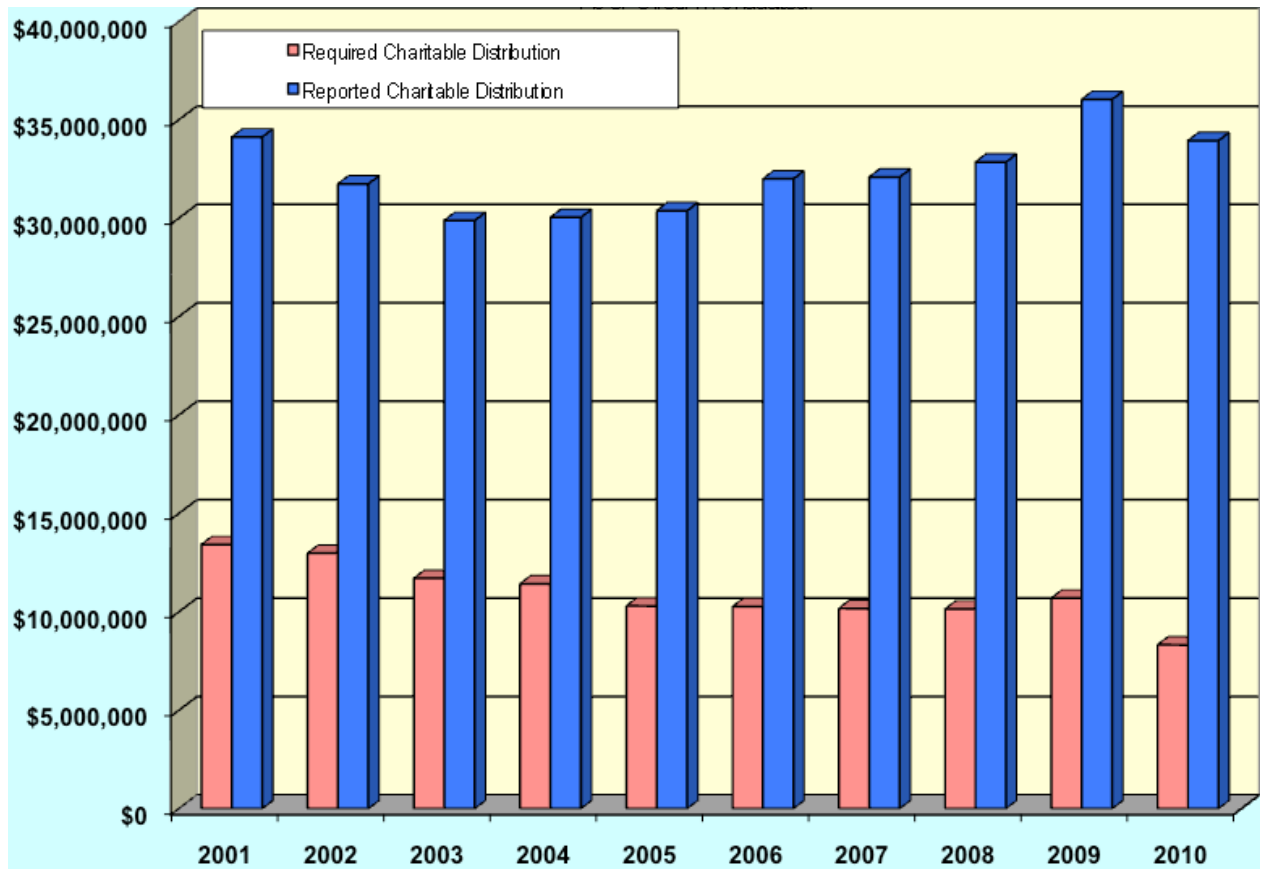
YEAR	REQUIRED CHARITABLE DISTRIBUTION	REPORTED CHARITABLE DISTRIBUTION
2001	\$13,418,658	\$34,123,897
2002	\$12,980,323	\$31,745,178
2003	\$11,706,069	\$29,885,100
2004	\$11,426,936	\$30,044,665
2005	\$10,302,319	\$30,384,530
2006	\$10,270,936	\$31,999,876
2007	\$10,177,920	\$32,090,655
2008	\$10,144,499	\$32,852,800
2009	\$10,702,451	\$36,038,797
2010	\$8,326,599	\$33,942,681

*Figures as of 04/05/2011. Unaudited.*

# CHARITABLE BINGO OPERATIONS DIVISION

## *Charitable Distributions (cont'd)*

The following chart shows trends in charitable distributions required by the Act compared to charitable distributions reported by licensed authorized organizations for calendar years 2001 through 2010:



Figures as of 04/05/2011. Unaudited.

# BINGO

# 2010 ANNUAL REPORT

Attendance appears to be leveling off the past four years after substantial decreases in prior years.

## Attendance

The figures for attendance do not reflect the number of people playing bingo in the years referenced, but are the cumulative reported attendance of persons at bingo games. Attendance is reported quarterly by licensed authorized organizations that conduct bingo.

The following table shows attendance data for calendar years 2001 through 2010 and is based on information reported by licensed authorized organizations:

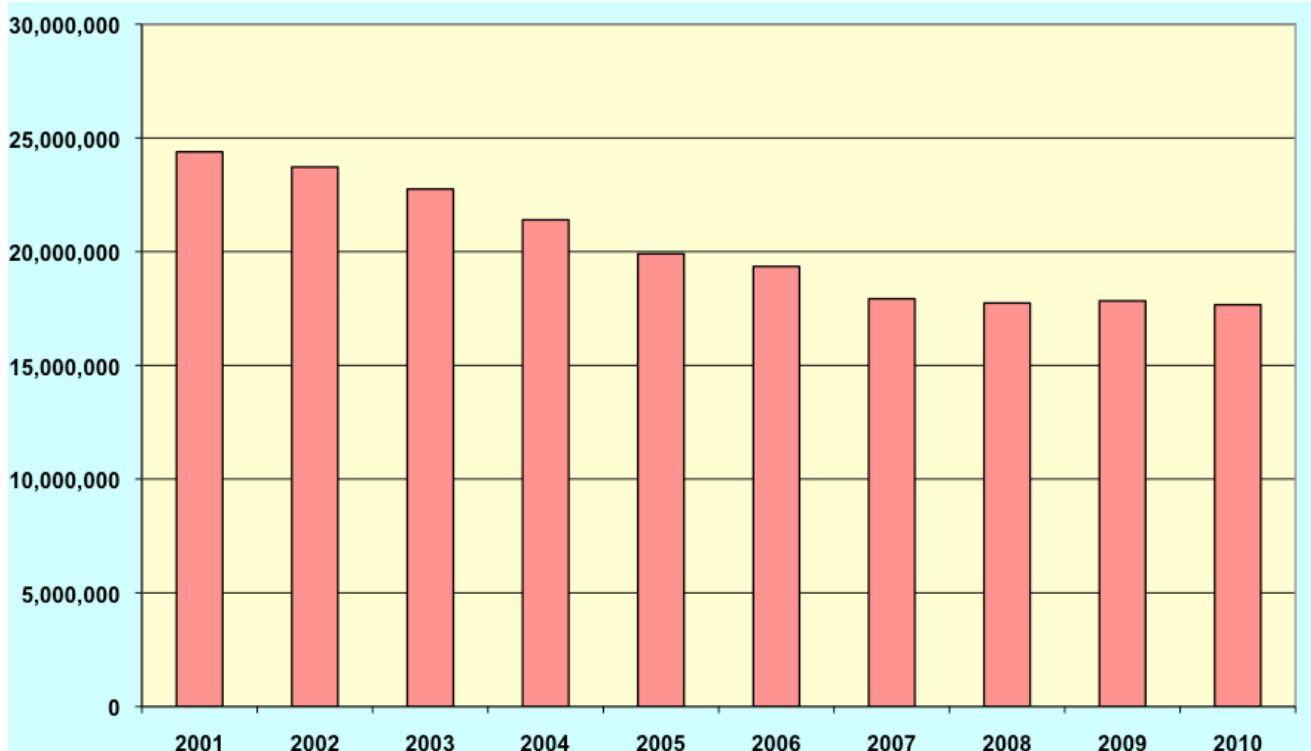
### Attendance 2001 – 2010

YEAR	ATTENDANCE
2001	24,385,464
2002	23,718,342
2003	22,749,669
2004	21,398,659
2005	19,908,409
2006	19,348,594
2007	17,926,344
2008	17,741,456
2009	17,834,879
2010	17,664,081

Figures as of 04/05/2011. Unaudited.

The following chart shows trends in attendance for calendar years 2001 through 2010:

### Attendance 2001 – 2010



Figures as of 04/05/2011. Unaudited.

# CHARITABLE BINGO OPERATIONS DIVISION

There is a 3-percent tax on gross rentals received by a licensed commercial lessor for the rental of premises where bingo is conducted.

## *Commercial Lessor Lease Income and Rental Tax*

The rent charged by a licensed commercial lessor to a licensed authorized organization to conduct bingo may not exceed \$600 for each bingo occasion conducted on the lessors' premises unless the licensed authorized organization subleases the premises to one or more other licensed authorized organizations to conduct bingo, in which case the rent charged by the licensed commercial lessor may not exceed \$600 for each day.

There is a 3-percent tax on gross rentals received by a licensed commercial lessor for the rental of premises where bingo is conducted.

The following table shows lease income and rental tax reported by licensed commercial lessors from 2001 through 2010:

### **Commercial Lessors Lease Income & Rental Tax 2001 – 2010**

YEAR	TOTAL REPORTED LEASE INCOME (LESSORS)	TOTAL RENTAL TAX PAID (LESSORS)
2001	\$37,668,272	\$1,144,874
2002	\$37,876,695	\$1,129,891
2003	\$36,794,615	\$1,118,833
2004	\$39,165,723	\$1,167,704
2005	\$39,089,803	\$1,187,104
2006	\$39,156,522	\$1,202,757
2007	\$38,851,449	\$1,173,736
2008	\$39,859,394	\$1,181,320
2009	\$42,628,938	\$1,242,501
2010	\$41,094,864	\$1,215,192

Figures as of 04/05/2011. Unaudited.

# 2010 ANNUAL REPORT

Local jurisdictions  
in Texas benefit  
from charitable  
bingo activities  
in the form  
of allocations  
derived from  
bingo prize fees.

## *Charitable Bingo Allocations to Cities and Counties*

Section 2001.502 of the Act requires a licensed authorized organization to collect from a person who wins a bingo prize of more than \$5 a fee in the amount of 5 percent of the amount or value of the prize; and remit to the commission a fee in the amount of 5 percent of the amount or value of all bingo prizes awarded.

Local jurisdictions in Texas benefit from charitable bingo activities in the form of allocations derived from bingo prize fees. A county that imposed a gross receipts tax on the conduct of bingo as of January 1, 1993, is entitled to 50 percent of the prize fee collected under § 2001.502 of the Act, on a prize awarded at a game conducted in the county.

A municipality that imposed a gross receipts tax on the conduct of bingo as of January 1, 1993, is entitled to 50 percent of the fee collected under § 2001.502 on a prize awarded at a game conducted in the municipality.

If a county and municipality are both entitled to a share of the fee imposed by § 2001.502 of the Act, the county is entitled to 25 percent of the fee on a prize awarded at a game conducted in the county and the municipality is entitled to 25 percent of the fee on a prize awarded at a game conducted in the municipality. All prize fees that are not allocated to local jurisdictions are deposited into the state's General Revenue Fund.

Each quarter, 2 percent of the total prize fees collected is retained in the jurisdiction's suspense account. The Commission may make refunds from the suspense account of a jurisdiction for overpayments made to those accounts and may redeem dishonored checks and drafts deposited to the credit of the jurisdiction's suspense account.

The following table shows allocations derived from bingo prize fees from 2001 through 2010:

### *Allocations 2001 – 2010*

YEAR	CITIES	COUNTIES	STATE	TOTAL
2001	\$4,280,533	\$4,940,159	\$10,958,740	\$20,179,433
2002	\$4,253,970	\$4,840,658	\$10,782,152	\$19,876,780
2003	\$4,539,900	\$4,957,538	\$10,953,394	\$20,450,833
2004	\$4,925,498	\$5,378,439	\$11,766,429	\$22,070,367
2005	\$5,184,670	\$5,728,289	\$12,367,824	\$23,280,783
2006	\$5,530,420	\$6,058,820	\$13,018,887	\$24,608,127
2007	\$5,553,344	\$6,045,612	\$13,009,408	\$24,608,365
2008	\$5,731,619	\$6,134,721	\$13,156,222	\$25,022,561
2009	\$5,887,555	\$6,377,086	\$13,621,194	\$25,885,835
2010	\$5,891,842	\$6,446,725	\$13,680,985	\$26,019,552

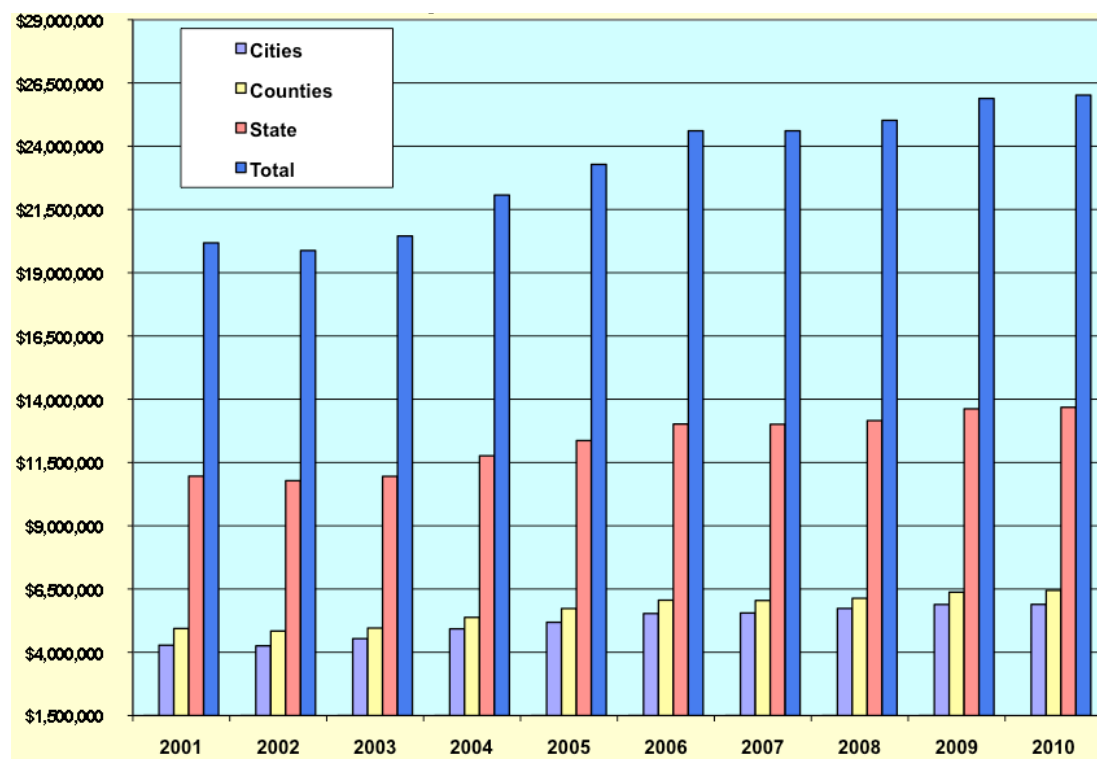
Figures as of 03/01/2011. Unaudited.

# CHARITABLE BINGO OPERATIONS DIVISION

## *Charitable Bingo Allocations to Cities and Counties (cont'd)*

The following chart shows trends in allocations for calendar years 2001 through 2010:

### *Trends in Allocations 2001 – 2010*



Figures as of 03/01/2011. Unaudited.



# 2010 ANNUAL REPORT

## *Charitable Bingo Allocations to Counties and Percentage of Change*

### **Comparison of Calendar Year 2009 and 2010 Allocation by County**

<b>COUNTY</b>	<b>2009</b>	<b>2010</b>	<b>CHANGE</b>	<b>% CHANGE</b>
BASTROP	\$8,641	\$8,142	\$(499)	-5.77%
BELL	\$478,614	\$480,390	\$1,776	0.37%
BEXAR	\$894,440	\$968,975	\$74,534	8.33%
BOWIE	\$83,885	\$65,775	\$(18,110)	-21.59%
BROWN	\$33,675	\$35,528	\$1,853	5.50%
BURNET	\$5,172	\$7,296	\$2,123	41.05%
CALDWELL	\$3,010	\$2,370	\$(640)	-21.25%
CAMERON	\$99,838	\$104,040	\$4,202	4.21%
COMAL	\$18,566	\$16,923	\$(1,643)	-8.85%
DALLAS	\$613,052	\$585,250	\$(27,802)	-4.53%
DEAF SMITH	\$6,655	\$6,593	\$(62)	-0.93%
DENTON	\$22,915	\$22,687	\$(229)	-1.00%
EASTLAND	\$1,290	\$833	\$(458)	-35.46%
ECTOR	\$280,004	\$237,878	\$(42,126)	-15.04%
EL PASO	\$55,644	\$56,657	\$1,013	1.82%
ELLIS	\$15,156	\$16,128	\$972	6.42%
FREESTONE	\$6,513	\$6,740	\$227	3.49%
FRIO	\$2,706	\$2,202	\$(504)	-18.61%
GALVESTON	\$67,958	\$70,270	\$2,313	3.40%
GILLESPIE	\$1,735	\$1,072	\$(663)	-38.23%
GRAY	\$1,040	\$819	\$(221)	-21.27%
GRAYSON	\$29,832	\$27,321	\$(2,511)	-8.42%
GREGG	\$82,317	\$86,280	\$3,964	4.82%
GUADALUPE	\$56,654	\$55,376	\$(1,278)	-2.26%
HARRIS	\$583,441	\$598,922	\$15,480	2.65%
HIDALGO	\$344,184	\$340,713	\$(3,471)	-1.01%
JACKSON	\$593	\$371	\$(222)	-37.37%
KARNES	\$6,372	\$5,575	\$(797)	-12.51%
KAUFMAN	\$3	\$2	\$(1)	-35.42%
KENDALL	\$6		\$(6)	-100.00%

# CHARITABLE BINGO OPERATIONS DIVISION

## *Charitable Bingo Allocations to Counties and Percentage of Change (cont'd)*

### **Comparison of Calendar Year 2009 and 2010 Allocation by County**

<b>COUNTY</b>	<b>2009</b>	<b>2010</b>	<b>CHANGE</b>	<b>% CHANGE</b>
KINNEY	\$239	\$230	\$(9)	-3.66%
KLEBERG	\$3,596	\$6,071	\$2,475	68.85%
LIBERTY	\$12,894	\$8,662	\$(4,232)	-32.82%
LUBBOCK	\$291,069	\$288,995	\$(2,074)	-0.71%
LYNN	\$6,665	\$5,957	\$(709)	-10.63%
MCLENNAN	\$165,338	\$184,548	\$19,210	11.62%
MIDLAND	\$81,934	\$85,129	\$3,196	3.90%
MONTAGUE	\$1,138	\$933	\$(205)	-18.01%
MONTGOMERY	\$162,769	\$153,557	\$(9,212)	-5.66%
NUECES	\$315,963	\$286,043	\$(29,920)	-9.47%
ORANGE	\$424	\$1,268	\$844	199.23%
PARKER		\$10,801	\$10,801	0.00%
PECOS	\$964	\$912	\$(51)	-5.33%
POTTER	\$204,535	\$213,273	\$8,738	4.27%
ROBERTSON	\$56	\$137	\$81	144.45%
SAN PATRICIO	\$6,287	\$9,027	\$2,740	43.58%
SMITH	\$34,762	\$36,902	\$2,140	6.16%
TARRANT	\$580,142	\$575,263	\$(4,879)	-0.84%
TAYLOR	\$151,400	\$148,099	\$(3,301)	-2.18%
TOM GREEN	\$28,168	\$41,122	\$12,954	45.99%
TRAVIS	\$259,544	\$288,695	\$29,151	11.23%
UPSHUR	\$4		\$(4)	-100.00%
VAL VERDE	\$43,700	\$45,169	\$1,470	3.36%
VICTORIA	\$74,509	\$60,569	\$(13,940)	-18.71%
WALLER		\$11	\$11	0.00%
WEBB	\$68,581	\$71,193	\$2,612	3.81%
WILBARGER	\$5,990	\$5,189	\$(801)	-13.37%
WILLIAMSON	\$70,598	\$105,981	\$35,383	50.12%
WINKLER	\$1,906	\$1,859	\$(47)	-2.48%
<b>TOTAL</b>	<b>\$6,377,086</b>	<b>\$6,446,725</b>	<b>\$69,639</b>	<b>1.09%</b>

# 2010 ANNUAL REPORT

## *Charitable Bingo Allocations to Cities and Percentage of Change*

### **Comparison of Calendar Year 2009 and 2010 Allocation by City**

<b>CITY</b>	<b>2009</b>	<b>2010</b>	<b>CHANGE</b>	<b>% OF CHANGE</b>
ABILENE	\$129,291	\$122,986	\$(6,306)	-4.88%
ARLINGTON	\$103,609	\$99,772	\$(3,838)	-3.70%
ASHERTON	\$164		\$(164)	0.00%
AUSTIN	\$254,146	\$279,513	\$25,367	9.98%
BALCH SPRINGS	\$39,349	\$36,728	\$(2,620)	-6.66%
BANDERA	\$1,130	\$1,320	\$191	16.87%
BANGS	\$2,810	\$3,258	\$448	15.93%
BAYTOWN	\$19,584	\$9,598	\$(9,986)	-50.99%
BEAUMONT	\$92,193	\$87,856	\$(4,337)	-4.70%
BEDFORD	\$326	\$413	\$87	26.74%
BELLMEAD	\$35,338	\$37,140	\$1,803	5.10%
BIG SPRING	\$17,391	\$17,439	\$48	0.27%
BIG WELLS	\$13,283	\$13,885	\$602	4.53%
BOERNE	\$6		\$(6)	0.00%
BOWIE	\$1,138	\$933	\$(205)	-18.00%
BROWNSVILLE	\$61,008	\$66,619	\$5,611	9.20%
BROWNWOOD	\$21,044	\$19,983	\$(1,061)	-5.04%
BRYAN	\$199,401	\$201,872	\$2,471	1.24%
BUDA	\$1,943	\$2,096	\$153	7.87%
CARRIZO SPRINGS	\$4,405	\$4,325	\$(80)	-1.81%
CLEBURNE	\$33,230	\$36,405	\$3,175	9.55%
CLUTE	\$3,272	\$2,988	\$(284)	-8.67%
COLLEGE STATION	\$6	\$5	\$(0)	-8.69%
COLORADO CITY	\$27		\$(27)	0.00%
CONROE	\$110,482	\$103,668	\$(6,815)	-6.17%
COPPERAS COVE	\$142,217	\$172,980	\$30,764	21.63%
CORPUS CHRISTI	\$311,670	\$283,732	\$(27,938)	-8.96%
CRYSTAL CITY	\$9,489	\$13,277	\$3,788	39.92%
DALLAS	\$197,225	\$187,686	\$(9,540)	-4.84%
DENISON	\$4,530	\$3,530	\$(1,000)	-22.08%
DENTON	\$22,915	\$22,611	\$(304)	-1.33%

# CHARITABLE BINGO OPERATIONS DIVISION

## *Charitable Bingo Allocations to Cities and Percentage of Change (cont'd)*

### **Comparison of Calendar Year 2009 and 2010 Allocation by City**

<b>CITY</b>	<b>2009</b>	<b>2010</b>	<b>CHANGE</b>	<b>% OF CHANGE</b>
DEVINE	\$1,595	\$2,438	\$844	52.89%
EL PASO	\$55,644	\$56,657	\$1,014	1.82%
EVERMAN	\$16,935	\$17,874	\$940	5.55%
FAIRFIELD	\$6,513	\$6,740	\$227	3.48%
FORT WORTH	\$314,131	\$301,675	\$(12,456)	-3.97%
GALVESTON	\$1,743		\$(1,743)	0.00%
GARLAND	\$105,488	\$99,634	\$(5,854)	-5.55%
GRAND PRAIRIE	\$20,488	\$20,658	\$170	0.83%
GUN BARREL CITY		\$44,983	\$44,983	0.00%
HALTOM CITY	\$14,638	\$15,252	\$614	4.19%
HARKER HEIGHTS	\$102,572	\$104,852	\$2,280	2.22%
HARLINGEN	\$27,486	\$26,655	\$(831)	-3.02%
HELOTES	\$2,397	\$2,284	\$(114)	-4.74%
HEMPSTEAD		\$11	\$11	0.00%
HILLSBORO	\$73,913	\$33,578	\$(40,335)	-54.57%
HOUSTON	\$220,586	\$181,002	\$(39,584)	-17.94%
HUMBLE	\$51,224	\$46,213	\$(5,011)	-9.78%
HURST	\$86,267	\$80,119	\$(6,148)	-7.13%
INGLESIDE	\$1,541	\$1,596	\$54	3.53%
IRVING	\$36,289	\$48,068	\$11,779	32.46%
KATY	\$2,034	\$1,933	\$(101)	-4.97%
KAUFMAN	\$3	\$2	\$(1)	-35.22%
KILLEEN	\$221,434	\$221,800	\$366	0.17%
KINGSVILLE	\$3,559	\$6,029	\$2,470	69.39%
KIRBY	\$422	\$433	\$11	2.61%
LA FERIA	\$33	\$59	\$26	80.91%
LA MARQUE	\$49,257	\$51,054	\$1,797	3.65%
LA PORTE	\$18	\$22	\$4	22.69%
LANCASTER	\$25,198	\$25,472	\$274	1.09%
LAREDO	\$68,580	\$71,192	\$2,612	3.81%
LEAGUE CITY	\$38	\$30	\$(7)	-19.85%

# 2010 ANNUAL REPORT

## *Charitable Bingo Allocations to Cities and Percentage of Change*

### **Comparison of Calendar Year 2009 and 2010 Allocation by City**

<b>CITY</b>	<b>2009</b>	<b>2010</b>	<b>CHANGE</b>	<b>% OF CHANGE</b>
LITTLE RIVER ACAD	\$4,222	\$3,172	\$(1,050)	-24.86%
LONGVIEW	\$82,309	\$86,275	\$3,966	4.82%
LUBBOCK	\$291,068	\$288,995	\$(2,074)	-0.71%
LULING	\$15		\$(15)	0.00%
MARBLE FALLS		\$305	\$305	0.00%
MERCEDES	\$5,106	\$5,399	\$293	5.73%
MESQUITE	\$30,782	\$32,426	\$1,644	5.34%
MIDLAND	\$81,933	\$85,129	\$3,196	3.90%
ODESSA	\$126,978	\$111,505	\$(15,473)	-12.19%
ORANGE	\$424	\$1,268	\$844	199.23%
PALACIOS	\$3,029	\$2,579	\$(450)	-14.84%
PARIS	\$67,319	\$62,107	\$(5,213)	-7.74%
PASADENA	\$18,159	\$15,612	\$(2,547)	-14.02%
PHARR	\$70,525	\$78,142	\$7,617	10.80%
PLANO	\$80,421	\$80,512	\$91	0.11%
RICHARDSON	\$57,013	\$55,113	\$(1,900)	-3.33%
RISING STAR	\$1,283	\$833	\$(450)	-35.08%
ROBSTOWN	\$4,198	\$2,304	\$(1,893)	-45.10%
ROMA	\$24,416	\$24,234	\$(181)	-0.74%
ROUND ROCK	\$28,226	\$30,736	\$2,509	8.89%
SAN ANGELO	\$39,877	\$41,067	\$1,190	2.98%
SAN ANTONIO	\$869,066	\$943,690	\$74,624	8.59%
SAN BENITO	\$4,030	\$3,632	\$(398)	-9.87%
SAN JUAN	\$37,416	\$35,949	\$(1,466)	-3.92%
SCHERTZ	\$5,103	\$4,253	\$(850)	-16.65%
SEGUIN	\$40,278	\$39,626	\$(653)	-1.62%
SEVEN POINTS	\$24,448	\$28,237	\$3,789	15.50%
SHERMAN	\$25,277	\$23,792	\$(1,486)	-5.88%
SOMERVILLE	\$6,308	\$6,495	\$187	2.96%
SOUTH HOUSTON	\$70,180	\$63,930	\$(6,250)	-8.91%
TEMPLE	\$25,106	\$24,806	\$(300)	-1.19%

# CHARITABLE BINGO OPERATIONS DIVISION

## *Charitable Bingo Allocations to Cities and Percentage of Change (cont'd)*

### **Comparison of Calendar Year 2009 and 2010 Allocation by City**

CITY	2009	2010	CHANGE	% OF CHANGE
TRINIDAD	\$4,720	\$2,937	\$(1,783)	-37.77%
TYE	\$21,667	\$25,113	\$3,447	15.91%
TYLER	\$30,930	\$32,022	\$1,092	3.53%
UNIVERSAL CITY	\$247	\$251	\$4	1.67%
VICTORIA	\$74,509	\$60,569	\$(13,940)	-18.71%
WACO	\$125,879	\$143,546	\$17,667	14.03%
WATAUGA	\$3,442	\$22,809	\$19,367	562.63%
WESLACO	\$5,477	\$4,409	\$(1,068)	-19.49%
WEST	\$150	\$201	\$51	34.18%
WEST LAKE HILLS	\$37		\$(37)	0.00%
WEST TAWAKONI	\$3,079	\$1,767	\$(1,312)	-42.60%
WHITE SETTLEMENT	\$40,517	\$37,277	\$(3,240)	-8.00%
WICHITA FALLS	\$109,739	\$77,883	\$(31,856)	-29.03%
<b>TOTAL</b>	<b>\$5,887,555</b>	<b>\$5,891,842</b>	<b>\$4,287</b>	<b>0.07%</b>



# 2010 ANNUAL REPORT

Charitable bingo generated more than \$18 million in revenue to the state in 2010.

## *Revenue to the state*

Charitable bingo activities in Texas generate revenue for the state. The following is an analysis of money generated from charitable bingo activities and deposited to the general revenue fund in 2010:

Total prize fees and rental tax collected	\$27,416,467
Total license fees collected	\$3,083,814
Administrative penalties/settlement fees collected	<u>+ \$132,881</u>
Total deposited to General Revenue Fund	\$30,633,162
Allocations paid to cities and counties	<u>- \$12,338,567</u>
Net deposited to General Revenue Fund	\$18,294,594

## *Licensed Organizations*

The Charitable Bingo Operations Division licenses the following types of organizations related to the regulation of charitable bingo in Texas:

- Conductor – an authorized organization that conducts bingo. This represents the largest category of licensees in the charitable bingo industry in Texas.
- Conductor/Lessor – an authorized organization that conducts bingo and leases space to other authorized conductor organizations to conduct bingo.
- Lessor – an individual or organization that leases a location to an authorized conductor organization for the purpose of conducting a charitable bingo game.
- Distributor – an individual or organizations that sells, distributes, or supplies equipment to organizations authorized to conduct bingo.
- Manufacturer – an individual or organization that manufactures bingo equipment and sells to licensed distributors in Texas.

# CHARITABLE BINGO OPERATIONS DIVISION

## *Licensed Organizations (cont'd)*

The following table shows organizations by organization types that applied for and were issued a license in Texas from 2001 through 2010:

### **Organizations That Applied For and Were Issued a License 2001 – 2010**

Note: Does not include temporary conductor licenses.

YEAR	CONDUCTOR	DISTRIBUTOR	LESSOR	MANUFACTURER	SYSTEM SERVICE PROVIDER	UNIT MANAGER	TOTAL
2001	1,482	15	472	14	2	0	1,985
2002	1,447	15	461	15	2	0	1,940
2003	1,430	19	464	21	1	0	1,935
2004	1,419	18	459	18	1	0	1,915
2005	1,363	18	436	18	0	0	1,835
2006	1,318	15	425	19	0	0	1,777
2007	1,312	15	432	16	0	0	1,775
2008	1,310	16	431	17	0	0	1,774
2009	1,255	20	416	17	0	0	1,708
2010	1,254	18	418	17	0	0	1,707

Figures as of 01/03/2011. Unaudited.



# 2010 ANNUAL REPORT

Each license category includes licenses issued to conductors, lessors, manufacturers and distributors, with the exception of temporary licenses, which are issued only to conductors.

## Conductor Licenses

Section 2001.101 of the Act defines the types of non-profit organizations eligible for a license to conduct bingo in Texas. Those organizations are:

- A religious society that has existed in Texas for at least three years.
- A nonprofit organization:
  - whose predominant activities are for the support of medical research or treatment programs; and
  - that for at least three years:
    - must have had a governing body or officers elected by a vote of members or by a vote of delegates elected by the members, or
    - must have been affiliated with a state or national organization organized to perform the same purposes as the nonprofit organization.
- A fraternal organization.
- A veterans organization that has existed in this state for at least three years.
- A volunteer fire department that has existed in this state for at least three years.
- An emergency medical service that has existed in this state for at least three years.

The following table shows conductor licenses issued by organization type from calendar year 2001 through 2010:

### Conductor Licensees by Organization Type 2001 – 2010

CALENDAR YEAR	RELIGIOUS	MEDICAL	FRATERNAL	VOLUNTEER FIRE DEPARTMENT	VETERAN	EMS/ NAT'L HIST.	TOTAL
2001	179	50	744	71	438		1,482
2002	175	44	744	71	413		1,447
2003	166	40	740	74	410		1,430
2004	168	38	743	71	399		1,419
2005	169	35	717	66	376		1,363
2006	160	32	721	64	341		1,318
2007	155	30	803	64	260		1,312
2008	149	30	815	61	255		1,310
2009	141	30	793	52	236	3	1,255
2010	141	28	796	52	233	4	1,254

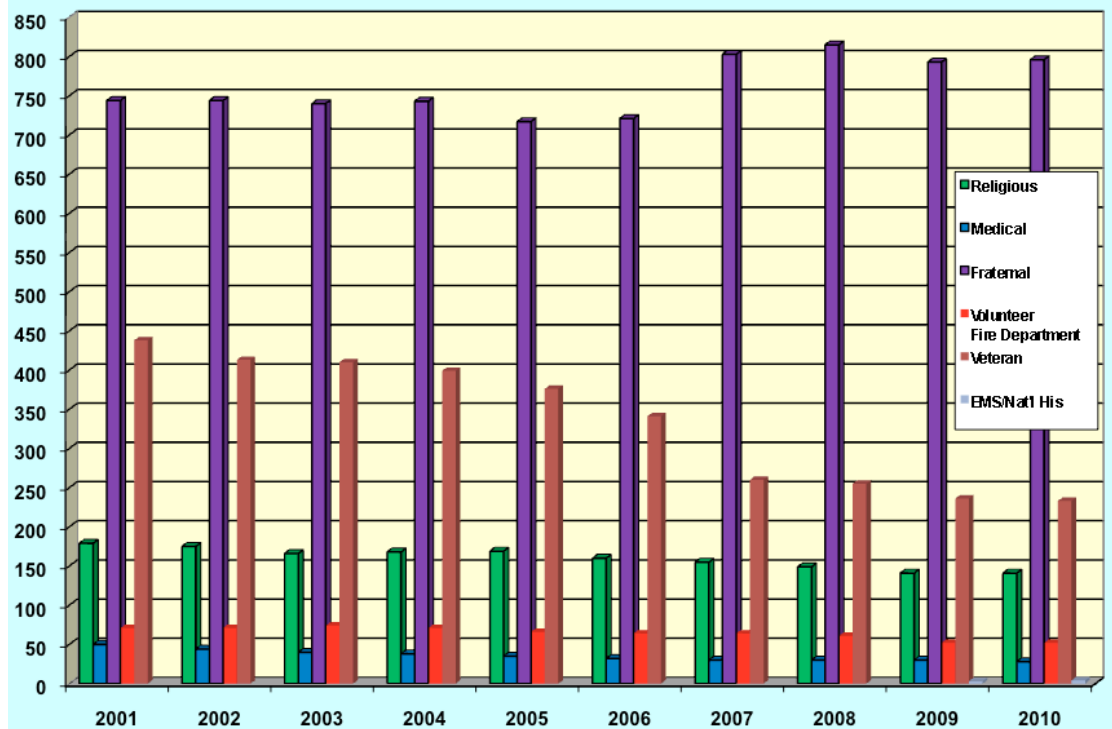
Figures as of 01/03/2011. Unaudited.

# CHARITABLE BINGO OPERATIONS DIVISION

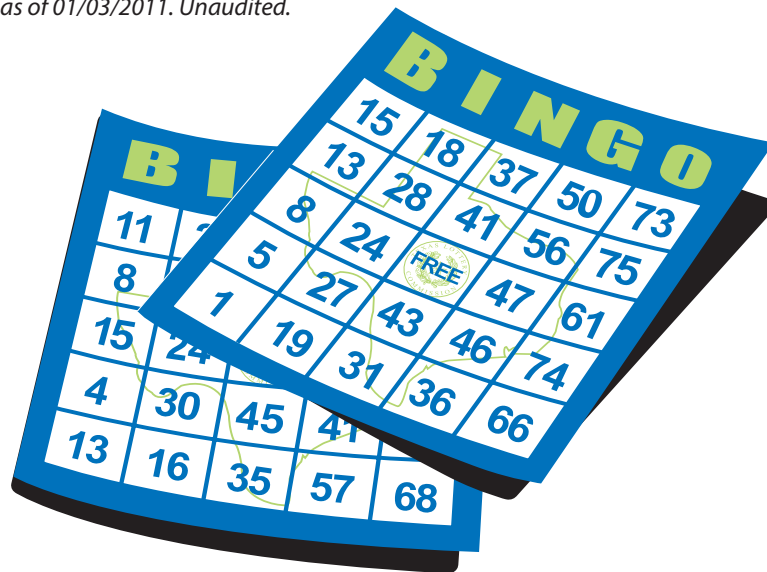
## Conductor Licenses (cont'd)

The following chart shows trends in conductor licenses issued by organization type from 2001 to 2010.

### Trends in Conductor Licenses Issued by Organization Type 2001 – 2010



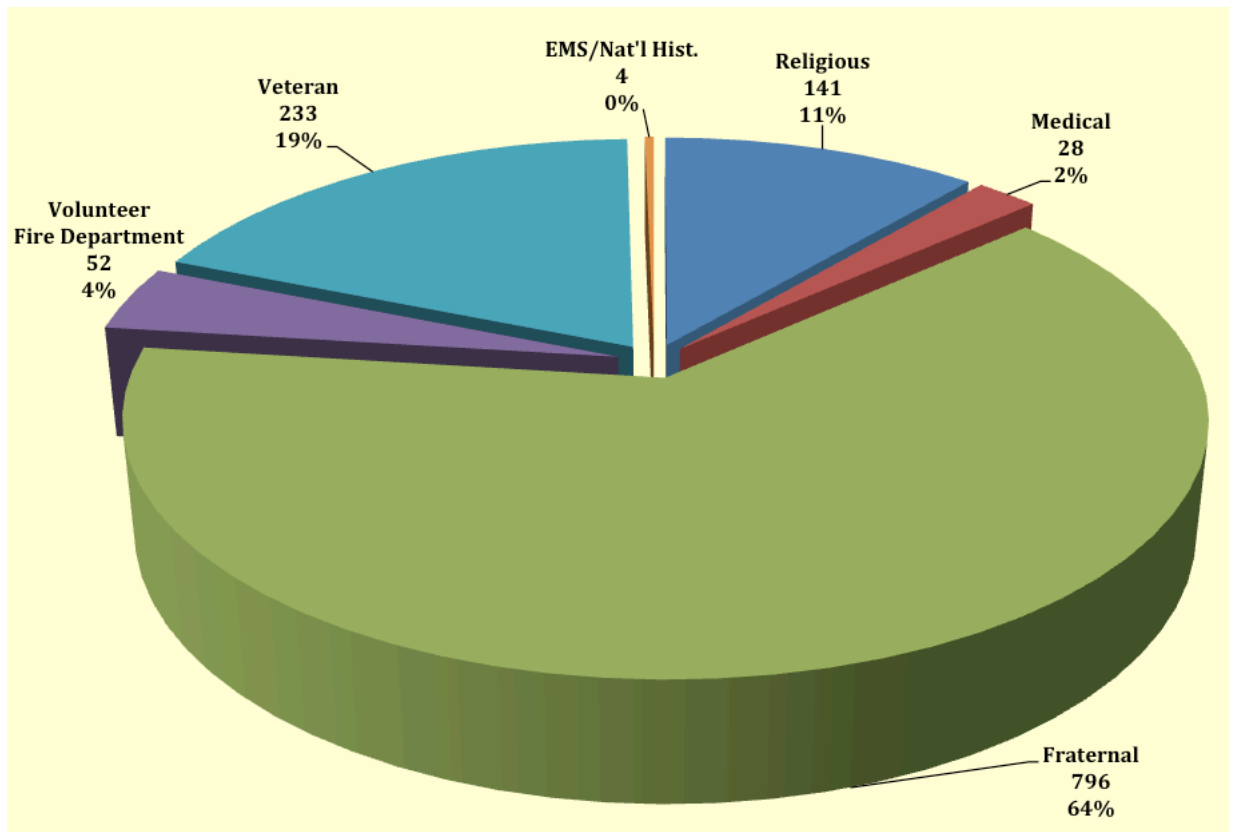
Figures as of 01/03/2011. Unaudited.



# 2010 ANNUAL REPORT

## *Conductor Licenses (cont'd)*

### **Percentage of Charitable Bingo Conductor Licensees by Organization Type Number and Percentage by Category 2010**



Figures as of 01/03/2011. Unaudited.

# CHARITABLE BINGO OPERATIONS DIVISION

## *Types of Licenses*

The following table describes the types of licenses issued by the Charitable Bingo Operations Division, the purpose of each license type, and the type of licensee they are issued to:

LICENSE TYPE	PURPOSE	ISSUED TO
Amendment	To change information on a conductor or lessor license. May include changes in playing days, times, location of games, or organization's location, officers or bingo chairperson	Conductors Lessors
Original	To obtain an initial license for a specific license type	Conductors Lessors Manufacturers Distributors
Renewal	To renew the license. A license may be renewed on an annual or bi-annual basis.	Conductors Lessors Manufacturers Distributors
Temporary	Issued to authorized organizations to conduct bingo for one, four-hour occasion on a specific day at a specific time. Organizations that hold a regular license to conduct bingo may obtain 24 temporaries per license period. Organizations that play bingo only on temporary non-regular licenses may obtain six temporary licenses per calendar year.	Conductors

The following table shows licenses issued by license type from 2001 to 2010:

### ***Licenses Issued by License Type 2001 – 2010***

YEAR	AMENDMENTS ISSUED	ORIGINALS ISSUED	RENEWALS ISSUED	TEMPORARY LICENSES ISSUED	TOTAL LICENSES ISSUED
2001	1,068	112	1,921	3,053	6,154
2002	1,114	115	1,895	2,748	5,872
2003	1,012	114	1,807	3,417	6,350
2004	1,001	92	1,763	5,077	7,933
2005	797	103	1,669	5,283	7,852
2006	749	109	1,644	4,704	7,206
2007	764	70	1,496	4,917	7,247
2008	745	86	1,496	4,766	7,093
2009	818	65	1,416	5,199	7,498
2010	742	87	1,289	7,084	9,202

Figures as of 01/03/2011. Unaudited.

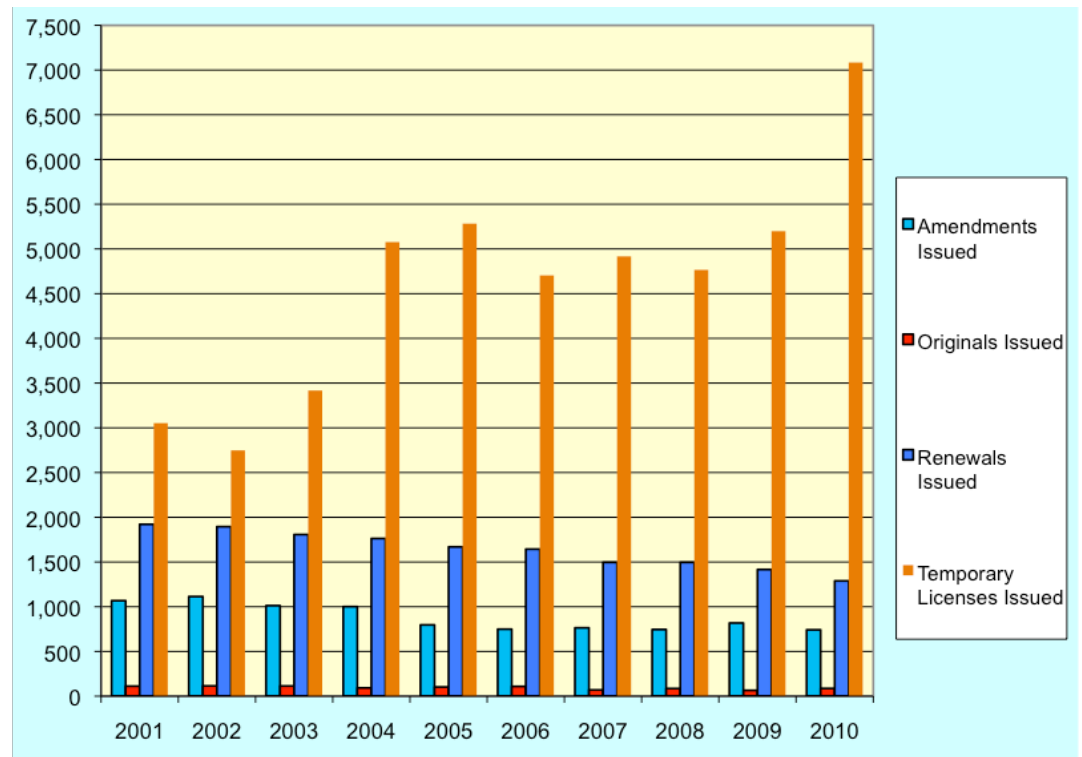
# 2010 ANNUAL REPORT

The online Bingo Training Program reduces travel expenses for the Division due to a reduction in on-site training programs.

## Types of Licenses (cont'd)

The following chart shows trends in licenses issued by license type from 2001 through 2010:

### Trends in Licenses Issued by License Type 2001 – 2010



Figures as of 01/03/2011. Unaudited.

## Bingo Training Program

Sections 2001.107, 2001.437(h) and 2001.438(e) of the Bingo Enabling Act require the bingo chairperson of every licensed authorized organization to attend the [Bingo Training Program](#). Under the provisions of §§2001.107, 2001.437(h) and 2001.438(e) of the Act, unit managers and designated agents are also required to attend training. Other officers and members may also attend training programs.

In June 2008, the [online version of the Bingo Training Program](#) was made available on the website. The online version allows the individuals required to complete the training program to do so at their own pace without the need to travel to an on-site training program or taking time off from work. It also reduces travels expenses for the Division due to a reduction in on-site training programs.

# CHARITABLE BINGO OPERATIONS DIVISION

## *Audit Activity*

In 2010, the Audit Services Department of the Charitable Bingo Operations Division conducted a variety of audit activities including game inspections, oversight of destructions, complaint investigations, compliance audits and reviews.

The Act and Rules require licensees to maintain certain documentation. Licensees are not required to maintain records in a specific format but they are required to maintain the information that is included on the forms suggested by the Commission. During game inspections, investigations and audits, licensee records are inspected and audited to determine if the required records and information are being maintained and in compliance with the Act and Rules.

The Commission conducts compliance audits and reviews to determine if the records and accounts of the organization accurately reflect financial and fiscal operations, if effective accounting and internal controls are maintained, and to determine if funds are received and used for purposes authorized by the Act and Rules.

The following table shows audit activities in calendar year 2010:

### ***Audit Activities 2010***

<b>ACTIVITY</b>	<b>NUMBER</b>	<b>HOURS</b>
Compliance Audit & Review	10	5344
Oversight of Destructions	13	217.5
Game Inspections	333	4268
Audit Complaint Investigations	2	0
CAMP Complaints Investigations	189	7732.5

*Figures as of 02/22/2011. Unaudited.*

*Note: The hours for the Audit Complaint investigation were added to the CAMP complaint case.*

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## *Final Administrative Actions*

The following chart is a summary of administrative actions taken by the Commission related to violations of the Bingo Enabling Act and Charitable Bingo Administrative Rules in 2010:

<b>ACTION</b>	<b>NUMBER</b>
Original Conductor Application Denied	1
Original Manufacturer Application Denied	1
Conductor Renewal Application Denied	9
Lessor Renewal Application Denied	2
Agreed Orders	3
Settlement Agreements (Included 191 warnings)	220
Total Amount of Penalties Assessed	\$132,881.00

## *Registry of Approved Bingo Workers*

The Texas Lottery Commission maintains a [registry of approved bingo workers](#). The registry is a list of persons on whom the Commission has conducted a criminal history background check and is approved to be involved in the conduct of bingo. Only individuals listed on the registry may be involved in the conduct of bingo. The commission issues an identification card to an individual once they are approved to be listed on the registry.

As of December 31, 2010, there were 16,009 individuals listed on the Registry of Approved Bingo Workers. In addition, the following occurred relative to the worker registry in 2010:

- 4,925 individuals renewed their worker registration
- 2,969 individuals submitted an original application to be added to the worker registry
- 2,745 individuals' registrations expired
- 59 individuals were denied registration
- Five individuals were removed from the worker registry.

# CHARITABLE BINGO OPERATIONS DIVISION

## *Administrative Rule Actions*

The following table shows actions in 2010 related to Charitable Bingo Administrative Rules. Some of the administrative rule actions were in response to changes to the Bingo Enabling Act resulting from legislation HB 1474, effective October 1, 2009.

RULE	TITLE	ACTION	EFFECTIVE DATE	PURPOSE
§ 402.702	Location Verification Inspections	Repealed	1/28/10	The Commission is adopting the repeal of the rule because the requirements contained in the rule are also contained in the Bingo Enabling Act, and the rule is not necessary.
§ 402.422	Regular License to Conduct Charitable Bingo	Amended	1/28/10	To make the rule consistent with changes to the Bingo Enabling Act, Texas Occupations Code §2001.307(c) resulting from recent legislation H.B. No. 1474 effective October 1, 2009.
§ 402.411	Late License Renewal	New Rule	1/28/10	Proposed new rule is to facilitate implementation of new §2001.315 of the Bingo Enabling Act resulting from recent legislation H.B. No. 1474 effective October 1, 2009.
§ 402.409	Amendment for Change of Premises or Occasions Due to Lease Termination or Abandonment	Amended	1/28/10	To make the rule consistent with changes to the Bingo Enabling Act, Texas Occupations Code §2001.108, resulting from recent legislation H.B. No. 1474 effective October 1, 2009.
§ 402.405	Temporary Authorization	Amended	3/9/10	To clarify the specific items that must be in compliance with the Bingo Enabling Act and Charitable Bingo Administrative Rules for each license type before a temporary authorization will be issued. In addition, the amendments specify when an application is considered denied for the purposes of §2001.304(a) of the Bingo Enabling Act, allow for a temporary authorization to be issued in conjunction with a license with a two-year license period, and clarify that an organization that has been issued an eligibility determination is not authorized for a temporary authorization.
§ 402.103	Training Program	Amended	1/28/10	The purpose of the amendments is to make the rule consistent with changes to the Bingo Enabling Act, Texas Occupations Code §2001.107, resulting from recent legislation, H.B. 1474 effective October 1, 2009, and to provide additional information about training.
§ 402.102	Bingo Advisory Committee	Amended	1/28/10	The purpose of the amendments is to make the rule consistent with changes to the Bingo Enabling Act, Texas Occupations Code §2001.057, resulting from recent legislation H.B. No. 1474 effective October 1, 2009, to provide information on grounds for inquiry and possible removal of a person from the Bingo Advisory Committee (BAC), to provide more flexibility in the scheduling of BAC meetings, and to change the due date for the annual BAC workplan and report of activities to the Commission.

# 2010 ANNUAL REPORT

## *Administrative Rule Actions*

The following table shows actions in 2010 related to Charitable Bingo Administrative Rules. Some of the administrative rule actions were in response to changes to the Bingo Enabling Act resulting from legislation HB 1474, effective October 1, 2009.

RULE	TITLE	ACTION	EFFECTIVE DATE	PURPOSE
§ 402.101	Advisory Opinions	Amended	3/9/10	The purpose of the amendments is to make the rule consistent with changes to the Bingo Enabling Act, Texas Occupations Code §2001.059, resulting from recent legislation, H.B. 1474 effective October 1, 2009, and to clarify the time periods for requesting and providing additional information.
§ 402.201	Prohibited Bingo Occasion	Amended	3/9/10	The purpose of the amendments is to make the rule consistent with recent legislative changes to the definition of "bingo occasion" in the Bingo Enabling Act, Texas Occupations Code §2001.002(6). The changes result from the 81st Legislature's enactment of HB 1474 effective October 1, 2009. Specifically, the amendments to 16 TAC §402.201 (Prohibited Bingo Occasion) add the following language to the rule: (1) "sell bingo cards for a bingo occasion or"; (2) "sale of bingo cards and"; and (3) "sale of bingo cards, game of bingo, or bingo". Additionally, the words "and any game of bingo" have been deleted from the rule.
§ 402.203	Unit Accounting	Amended	3/9/10	To clarify the responsibilities of the unit designated agent and unit members, remove language that is duplicated in §402.205 of the chapter regarding Unit Agreements, incorporate changes to the Bingo Enabling Act resulting from recent legislation H.B. No. 1474 effective October 1, 2009, and to put the public on notice of the processes to follow and requirements related to activities involving the unit account.
§ 402.212	Promotional Bingo	New Rule	3/9/10	To clarify the requirements for conducting an exempted promotional bingo game as authorized under §2001.551 of the Texas Occupations Code. Specifically, the new rule provides definitions, restrictions, notification requirements, and recordkeeping requirements with regard to promotional bingo.



# CHARITABLE BINGO OPERATIONS DIVISION

## *Administrative Rule Actions*

The following table shows actions in 2010 related to Charitable Bingo Administrative Rules. Some of the administrative rule actions were in response to changes to the Bingo Enabling Act resulting from legislation HB 1474, effective October 1, 2009.

RULE	TITLE	ACTION	EFFECTIVE DATE	PURPOSE
§ 402.401	Temporary License	Amended	3/9/10	Proposed amendments is to make the rule consistent with changes to the Bingo Enabling Act resulting from recent legislation, H.B. No. 1474 effective October 1, 2009, and to remove the language that permits a licensed authorized organization to receive a refund or credit of license fees and credit of the occasion as part of the organization's total number of allowed occasions when a licensed temporary occasion is not held. Specifically, the amendments include: (1) at subsection (b)(2), "24-hour period" has been replaced with the word "day"; (2) certain language at subsection (b)(4) regarding occasion not held has been deleted; (3) new language has been added and certain language has been deleted at subsection (b)(5)(A) regarding voluntary surrender of regular license; (4) subsection (b)(5)(C) has been deleted; (5) certain language has been deleted from subsection (c); (6) subsection (d)(4) has been deleted; (7) at subsection (d)(5) language has been deleted; (8) at subsection (d)(5)(C) and (D) "annual license" has been replaced with "regular license." Subsection (e) has been modified to provide non-regular license holders clarification of the process for obtaining a temporary license.
§ 402.402	Registry of Bingo	Amended	3/9/10	The purpose of the amendments is to make the rule consistent with changes to the Bingo Enabling Act resulting from recent legislation H.B. No. 1474 effective October 1, 2009 and to provide additional useful information related to individuals required to be listed on the registry. The amendments include: adding definitions and requirements for bingo chairperson, bookkeeper, and provisional employee; deleting language that is now covered by the Act pertaining to expiration of a listing on the registry; and providing that payment for employment of a provisional employee is an authorized expense.
§ 402.202	Transfer of Funds	Repealed	5/2/10	The repeal is adopted concurrently with adopted new 16 TAC §402.202 (relating to Transfer of Funds). The purpose of the repeal and new rule is to facilitate implementation of revisions to §2001.451 of the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009.

# 2010 ANNUAL REPORT

## *Administrative Rule Actions*

The following table shows actions in 2010 related to Charitable Bingo Administrative Rules. Some of the administrative rule actions were in response to changes to the Bingo Enabling Act resulting from legislation HB 1474, effective October 1, 2009.

RULE	TITLE	ACTION	EFFECTIVE DATE	PURPOSE
§ 402.202	Transfer of Funds	New Rule	5/2/10	New rule is to facilitate implementation of revisions to §2001.451 of the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. Specifically, the new rule defines the term, "other account," sets forth requirements for notification of transfer of funds into a bingo account, maintenance of related documentation, use of transferred funds, amount of funds transferred, allowable disbursement, and maximum bingo account or unit account bank balance for the quarter that funds were transferred.
§ 402.400	General Licensing	Amended	5/2/10	To make the rule consistent with changes to the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. Subsection (k)(5) has been added to clarify that a licensed authorized organization that places its license on administrative hold must comply with Texas Occupations Code §2001.451(g) requirements concerning net proceeds. Subsection (m) has been deleted from the rule, and the remaining subsections have been renumbered accordingly. At newly renumbered subsection (n)(2), "except Schedule F Bingo Financial Summary" has been deleted; at newly renumbered subsection (n)(6), "and Schedule F Bingo Financial Summary" has been deleted; and at newly renumbered subsection (n)(7), "Schedule B3 Registered Workers for License to Conduct Bingo," has been deleted. As a result of comments received, the Commission has deleted subsection (k)(5). An organization with its license on administrative hold for a full license period would not have engaged in bingo operations, and therefore the statutory provision regarding net proceeds of bingo operations would not be applicable.



# CHARITABLE BINGO OPERATIONS DIVISION

## *Administrative Rule Actions*

The following table shows actions in 2010 related to Charitable Bingo Administrative Rules. Some of the administrative rule actions were in response to changes to the Bingo Enabling Act resulting from legislation HB 1474, effective October 1, 2009.

RULE	TITLE	ACTION	EFFECTIVE DATE	PURPOSE
§ 402.403	Licenses for Conduct of Bingo Occasions and to Lease Bingo Premises	Amended	5/2/10	The purpose of the amendments is to update the rule, making it consistent with changes to the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009 and current practice. Some portions of the rule have been deleted because the subject matter is now addressed in other rules. Specifically: (1) subsection (a)(1) has been deleted; (2) newly renumbered subsection (a)(1) adds the word "regular", deletes the word "annual", and adds the language, "days, times, and"; (3) subsection (a)(3), (a)(4) and (a)(5) have been deleted and new subsection (a)(2), (a)(3) and (a)(4) have been added to the rule; (4) subsection (b)(1), (b)(2) have been deleted from the rule; (5) former subsection (b)(2)(A), (b)(2)(B) and (b)(2)(C) have been renumbered as subsection (b)(1), (b)(2), and (b)(3); and (6) subsections (c) and (d) have been deleted from the rule.



# 2010 ANNUAL REPORT

## *Administrative Rule Actions*

The following table shows actions in 2010 related to Charitable Bingo Administrative Rules. Some of the administrative rule actions were in response to changes to the Bingo Enabling Act resulting from legislation HB 1474, effective October 1, 2009.

RULE	TITLE	ACTION	EFFECTIVE DATE	PURPOSE
§ 402.404	License Fees	Amended	5/2/10	Proposed amendments is to make the rule consistent with changes to the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009 and to more accurately reflect current terminology and practice. Specifically: (1) a new subsection (a) regarding definitions has been added to the rule and the remaining subsections have been renumbered accordingly; (2) throughout the rule, "annual license" has been replaced with "regular license"; (3) throughout the rule the word "year" has been replaced with "license period"; (4) existing subsection (c)(1) has been deleted and replaced with new subsection (c)(1); (5) at subsection (d)(2), the language, "within 30 days of the license expiration date and" has been added; (6) new subsection (d)(3) relating to the recalculated license fee amount submission deadlines has been added to the rule; (7) at subsections (d)(6) and (d)(7), certain language regarding additional license fees has been deleted from the rule; (8) a new subsection (e) regarding two-year license fee payments has been added to the rule; at subsection (f) relating to regular license fee recalculation, paragraphs (1) - (4) have been added to the rule; (9) at subsection (f)(6), the language, "such as, the original conductor is licensed less than a full year," has been deleted; (10) at subsection (f)(6)(A) language regarding calculation of estimated annual gross receipts has been added to the rule; (11) a new subsection (f)(6)(B) regarding calculation of estimated gross rental income per quarter has been added to the rule; (12) a new subsection (f)(10) regarding recalculating license fees has been added to the rule; (13) at subsection (g)(2)(C), the language, "remain in the application escrow account" replaces the language, "temporary license fee; or"; (14) subsection (g)(2)(D) has been deleted from the rule; (15) new subsections (g)(4) - (6) have been added to the rule; (16) subsections (h)(2) - (4) have been deleted from the rule; and (17) subsections (h)(3) - (5) have been added to the rule.

# CHARITABLE BINGO OPERATIONS DIVISION

## *Administrative Rule Actions*

The following table shows actions in 2010 related to Charitable Bingo Administrative Rules. Some of the administrative rule actions were in response to changes to the Bingo Enabling Act resulting from legislation HB 1474, effective October 1, 2009.

RULE	TITLE	ACTION	EFFECTIVE DATE	PURPOSE
§ 402.408	Designation of Members	Amended	5/2/10	New rule is to provide the requirements for an organization to designate an individual as a member in accordance with new §2001.411(c-1) of the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. The new rule requires a licensed authorized organization to submit to the Commission a completed Designated Member form signed by the organization's bingo chairperson. Additionally, the new rule sets forth requirements for notifying the Commission of a designated member's status change.
§ 402.101	Advisory Opinions	Amended	7/5/10	Proposed amendments is to make the language in the rule consistent with language in the Bingo Enabling Act. Specifically, at subsection (e)(5), the language, "A requestor may rely upon an advisory opinion if the" has been added and, "An advisory opinion may be relied upon by the requestor as well as any other person whose" has been deleted.
§ 402.450	Request for Waiver	New Rule	7/5/10	Proposed new rule is to provide the requirements for an organization to request a waiver to the maximum amount of operating capital that can be maintained in the bingo account in accordance with new language §2001.451(j) and (k) of the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. Specifically, the new rule provides definitions for the terms "waiver" and "force majeure". The new rule also sets forth provisions on: (1) detrimental charitable purpose waiver; (2) Commission's request for additional information to consider a waiver application; (3) deadline for licensed authorized organizations or units to provide documentation requested by the Commission; (4) criteria for approval of waiver applications; (5) notification requirements; and (6) submission of a new application for a waiver when circumstances or business plan change.

# 2010 ANNUAL REPORT

## *Administrative Rule Actions*

The following table shows actions in 2010 related to Charitable Bingo Administrative Rules. Some of the administrative rule actions were in response to changes to the Bingo Enabling Act resulting from legislation HB 1474, effective October 1, 2009.

<b>RULE</b>	<b>TITLE</b>	<b>ACTION</b>	<b>EFFECTIVE DATE</b>	<b>PURPOSE</b>
§ 402.451	Operating Capital	New Rule	7/5/10	New rule is to facilitate implementation of revisions to §2001.451 of the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. Specifically, the new rule provides definitions for the terms, "average unit member operating capital", "bingo account", "quarterly report" and "retained operating capital limit". The new rule also addresses bingo account balance requirements, the transfer of bingo account funds, licensed authorized organizations calculations, accounting units calculations, retained operating capital limits, disbursement time frames, recalculation of operating capital, application for increase in capital limit, and compliance requirements.
§ 402.452	Net Proceeds	New Rule	7/5/10	Proposed new rule is to facilitate implementation of revisions to §2001.451 of the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. Specifically, the new rule sets forth provisions on the calculation of net proceeds for a license period and calculation of net proceeds for units.
§ 402.453	Request for Operating Capital Increase	New Rule	7/5/10	Proposed new rule is to facilitate implementation of revisions to §2001.451 of the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. Specifically, the new rule sets forth definitions for "force majeure", "request to exceed the operating capital limit" and "retained operating capital". The new rule also sets forth provisions on applying for a request to exceed operating capital limit and criteria for approval.
§ 402.506	Disbursement Records Requirements	Amended	7/5/10	The purpose of the proposed amendments is to make the rule consistent with changes to the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. Specifically, the amendments: (1) add ", including the address and telephone number" to subsection (b)(1)(A); (2) delete subsection (b)(7) and renumber accordingly; (3) add "Actual or imaged bank" to newly renumbered subsection (b)(7); (4) add new subsection (b)(9) and (b)(10); (5) add "operations of the organization and the allocation of the expenditure" to subsection (d); and (6) add new subsections (e), (f), and (g).

# CHARITABLE BINGO OPERATIONS DIVISION

## *Administrative Rule Actions*

The following table shows actions in 2010 related to Charitable Bingo Administrative Rules. Some of the administrative rule actions were in response to changes to the Bingo Enabling Act resulting from legislation HB 1474, effective October 1, 2009.

RULE	TITLE	ACTION	EFFECTIVE DATE	PURPOSE
§ 402.514	Electronic Fund Transfers	New Rule	7/5/10	Proposed new rule is to facilitate implementation of §2001.452 of the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. Specifically, the new rule sets forth provisions on electronic fund transfers related to controls over electronic fund transfers, recordkeeping requirements, and discrepancies or misapplications.
§ 402.600	Bingo Reports	Amended	7/5/10	Proposed amendments is to make the rule consistent with changes to the Bingo Enabling Act resulting from recent legislation H.B. 1474 effective October 1, 2009. Specifically, the amendments: (1) replace "15th of the month" with "25th of the month" at subsection (a); (2) add the sentence, "For quarterly reports submitted electronically, the report will be deemed filed as of the date and time sent from the specified e-mail address" at the end of subsection (b); (3) add a new subsection (c) regarding signature provisions, and reletter the remaining subsections accordingly; (4) add the following language to newly relettered subsection (e)(1), "The report shall also include information regarding property taxes on the facility, water, electric, and gas utility expenses, property and casualty insurance premiums for the facility that are paid by the lessor, and reimbursed by an authorized organization or unit to the lessor"; (5) delete existing subsections (g) and (h) regarding provisions relating to a system service provider license; (6) delete the following from newly relettered subsection (i), "If a licensee fails to file a quarterly report as required by Occupations Code, §2001.504, the Charitable Bingo Operations Division will mail to the licensee a letter stating the quarterly report has not been filed. The applicable penalty and/or interest is due on the amount of prize fee or rental tax that was not filed timely."; and (7) add the sentence "Failure to file a required report by the due date may result in an administrative penalty." to the end of newly relettered subsection (i).

