

# Annual

## REPORT

2019 - 2020





# MESSAGE FROM **THE GOVERNOR**



Dear Friends,

I am proud to recognize the Florida Lottery for another amazing year of record sales and contributions to education in Florida. The Lottery continues to prove itself as a dedicated partner to students and schools in the Sunshine State, generating more than \$1.9 billion for the Educational Enhancement Trust Fund (EETF) this fiscal year. These Lottery funds support our common goal of providing quality education choices for Florida's families, and equipping our students with the skills needed to become tomorrow's leaders.

After more than three decades, the Florida Lottery continues to provide the best Lottery games available, while also ensuring Floridians are educated on the importance of responsible play. They set an example as one of the most efficient Lotteries in the nation, operating on just one percent of total annual revenue. The Lottery closed out this year with a record-breaking \$7.5 billion in sales, outpacing all other states in total Scratch-Off sales and ranking ninth worldwide in total revenue.

I congratulate the Florida Lottery on another year of historic accomplishments that benefit Florida's students, and look forward to even more contributions to Florida's public education system in the years to come.

**Sincerely, Ron DeSantis**  
**Governor**

# MESSAGE FROM **SECRETARY**

Dear Colleagues and Friends,

It is my pleasure to present the Florida Lottery's fiscal year 2019-20 Annual Report. Over the past 32 years, the Lottery's mission has been to provide the best Lottery games available in order to maximize revenue for education in Florida, and we certainly delivered on those objectives this fiscal year. For the ninth consecutive year, the Lottery reached record-setting sales. Sales for fiscal year 2019-20 exceeded \$7.5 billion. These unprecedented sales translated into more than \$1.9 billion in contributions for Florida's students and schools across the state, bringing the Lottery's total contributions to the state's EETF to more than \$37 billion since the Lottery opened its doors in 1988.

Florida students and schools weren't the only winners this fiscal year. Lottery players across the state, from the Panhandle to the Keys won more than \$5 billion in prizes! Additionally, Florida Lottery retailers earned a combined total of more than \$420 million in sales, prize payments, and bonus commissions.

When faced with the uncertainties surrounding the COVID-19 pandemic during the fourth quarter, the Lottery balanced its ability to continue to sell Lottery products with its commitment to the safety and well-being of players, retailers, vendors, and employees. In response to the pandemic, the Lottery identified innovative ways to execute daily job operations remotely – while maintaining the integrity of its games – to further limit the risk of exposure and spread of the virus. The Lottery's Games Administration Department implemented a remote call center, allowing them to continue assisting players, retailers, and the public from home. Similarly, daily Draw studio staff created new procedures for completing essential duties remotely to reduce the number of in-person staff members needed. By the end of the fiscal year, teams performed more than half of all job operations efficiently, effectively, and remotely.

These impressive accomplishments were made possible through the continued support of the Lottery's loyal players, dedicated retail partners, and committed employees. Under the leadership of Governor DeSantis and the Florida Legislature, the future looks bright for the Florida Lottery and for Florida's students and schools.

**Sincerely, John F. Davis**  
**Secretary**



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# PUTTING EDUCATION IN THE SPOTLIGHT

Since opening its doors in 1988, the Florida Lottery's sole mission has revolved around maximizing revenues for the enhancement of public education. Fiscal year 2019-20 marks the 18th consecutive year the Lottery has generated more than \$1 billion to education, coming in at more than \$1.9 billion in total contributions to the EETF.

**TO PUT THAT \$1.9 BILLION INTO PERSPECTIVE, THAT'S ENOUGH MONEY TO BUY EVERY STUDENT ENROLLED IN FLORIDA PUBLIC SCHOOLS A BRAND NEW IPAD!**

In its 32-year history, the Lottery has generated more than \$37 billion dollars to support the state's commitment to providing the best education possible to its residents. As a state agency, none of the Florida Lottery's budget comes from General Revenue. In fact, all operating and administrative expenses are generated through the sales of Lottery games, and 99 cents of every dollar earned goes back to the community through contributions to education, prizes to players, vendor fees, and commissions to retailers.

## BREAKDOWN OF THE LOTTERY DOLLAR

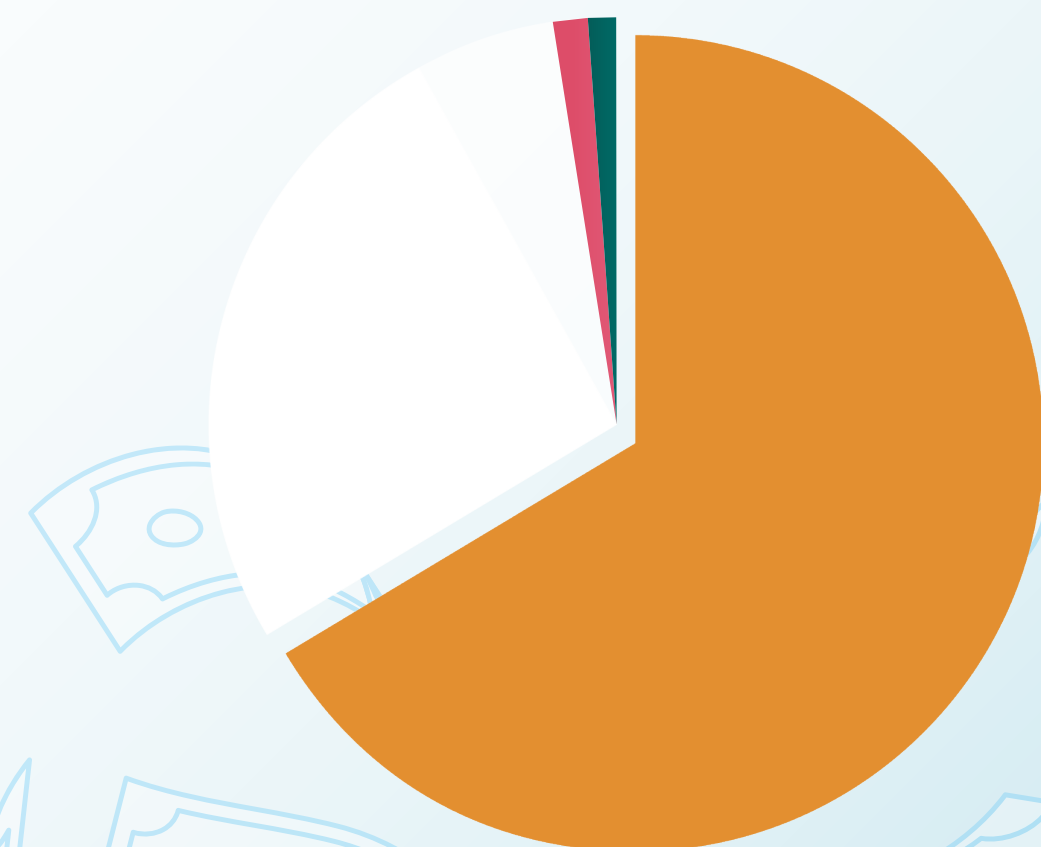
**Prizes 66.5%**

**Education 25.5%**

**Retailer Commissions 5.6%**

**Vendor Fees 1.4%**

**Lottery Operations 1.0%**



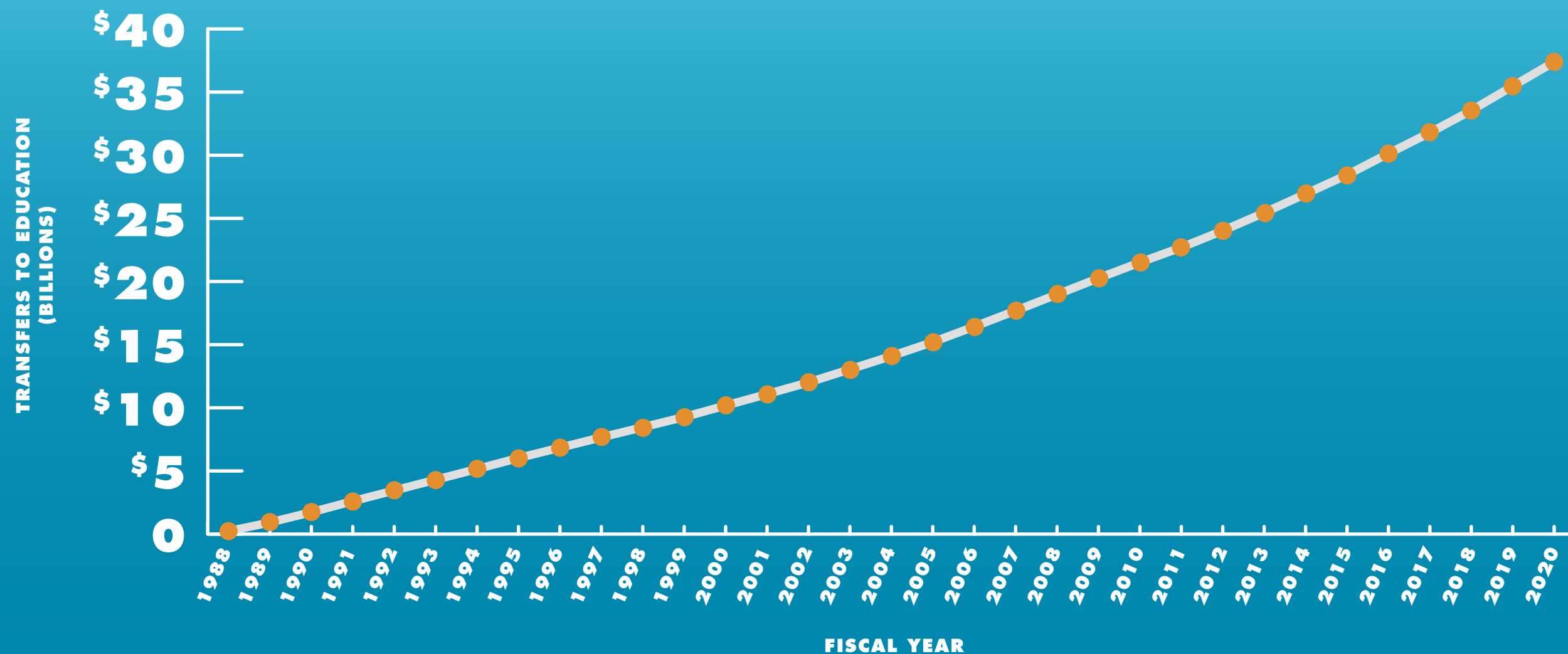
**HELP  
STUDENTS  
Shine**



Revenue from the Florida Lottery benefits education programs in all of Florida's 67 counties, at every level from K-12 and includes state colleges and universities. The Bright Futures Scholarship Program, created in 1997, is primarily funded by the Florida Lottery and continues to afford Florida's best and brightest students the opportunity to pursue their dreams of a higher education. As of June, more than \$6.8 billion in Lottery funds have helped send more than 880,000 students to college through the help of a Bright Futures Scholarship.

From the first day of kindergarten, to college graduation, and every day in-between, Florida students deserve a quality education that will help build a better tomorrow for all Floridians. Each time our players purchase a Florida Lottery ticket, they help students and schools across our state excel. At the Florida Lottery, we are proud to serve as a contributor to education, investing in our state, and ensuring a future where every Floridian wins.

## TRANSFERS TO EDUCATION



# RESPONSIBLE GAMING ACHIEVEMENTS



In December, the Florida Lottery received a certification for responsible gaming from the World Lottery Association (WLA), becoming one of only 15 Lotteries in the country to have achieved this distinction. The Lottery earned the certification for its initiatives in employee and retailer training, public education and awareness, product oversight, research, and advertising.

**THE WLA CERTIFICATION IS THE LOTTERY'S SECOND RESPONSIBLE GAMING CERTIFICATION. THE LOTTERY ALSO RECEIVED THE TOP CERTIFICATION FOR RESPONSIBLE GAMING FROM THE NORTH AMERICAN ASSOCIATION OF STATE AND PROVINCIAL LOTTERIES (NASPL) AND THE NATIONAL COUNCIL ON PROBLEM GAMBLING (NCPG) IN OCTOBER 2018.**

To further the Lottery's commitment to build responsible gaming best practices into every aspect of its business operations, the award-winning website, the Player's Guide, launched in January. This best-in-class website serves as a one-stop-shop for players, containing detailed information on how to play and win the Lottery responsibly.



The Player's Guide is an extension of the Lottery's main website and drives players to two sections: "Play Responsibly" and "Win Responsibly." Content within the Play Responsibly section includes video tips for safer gaming, a discretionary income budget calculator, a detailed explanation of odds, and a myth vs. fact quiz. The Win Responsibly section includes information on where to claim a prize, payment options, documents needed to claim, and how to manage winnings.

**IN JUNE, THE PLAYER'S GUIDE RECEIVED A GOLD HERMES CREATIVE AWARD. THE INTERNATIONAL COMPETITION HONORS THOSE WHO BRING IDEAS TO LIFE THROUGH TRADITIONAL AND DIGITAL PLATFORMS; HERMES AWARDS ARE GIVEN TO COMPANIES AND INDIVIDUALS WHOSE TALENT EXCEEDS A HIGH STANDARD OF EXCELLENCE AND WHOSE WORK SERVES AS A BENCHMARK FOR THEIR INDUSTRY.**



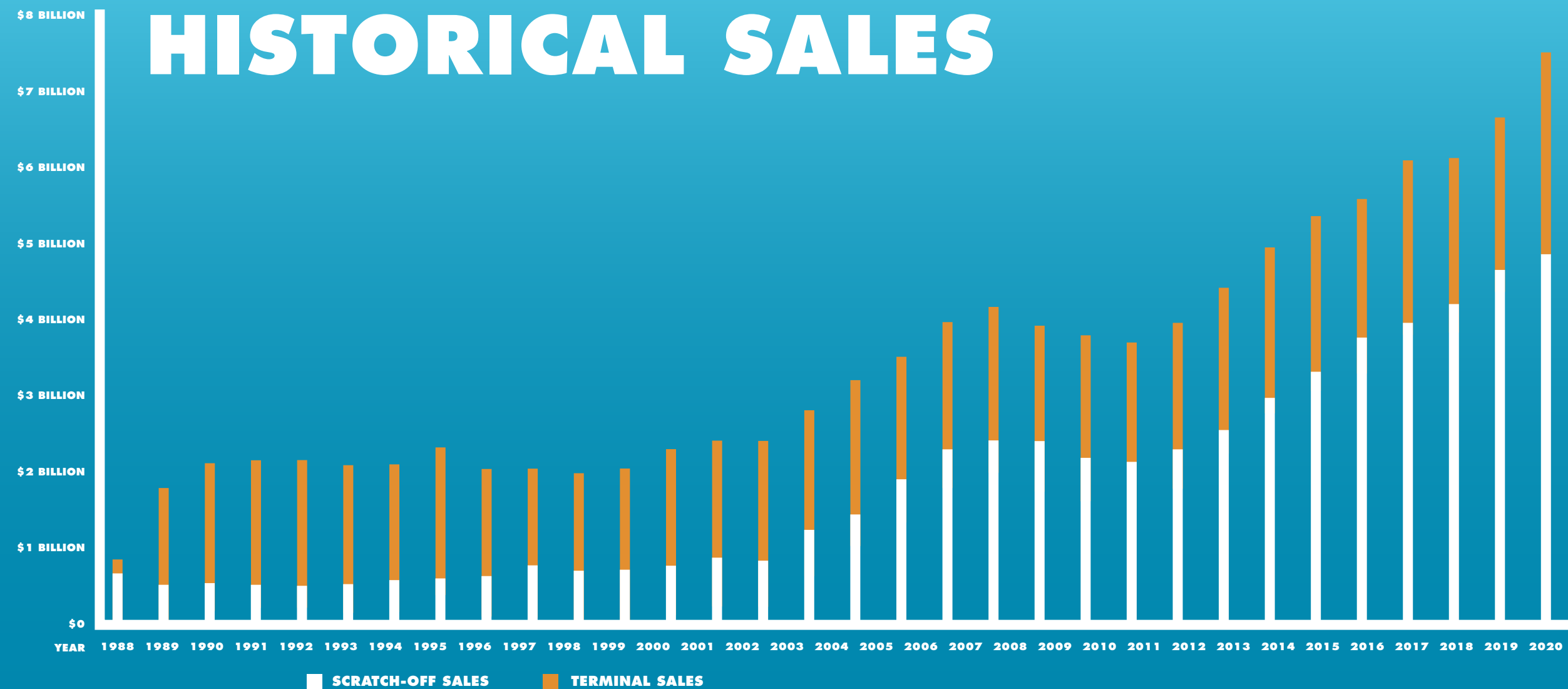
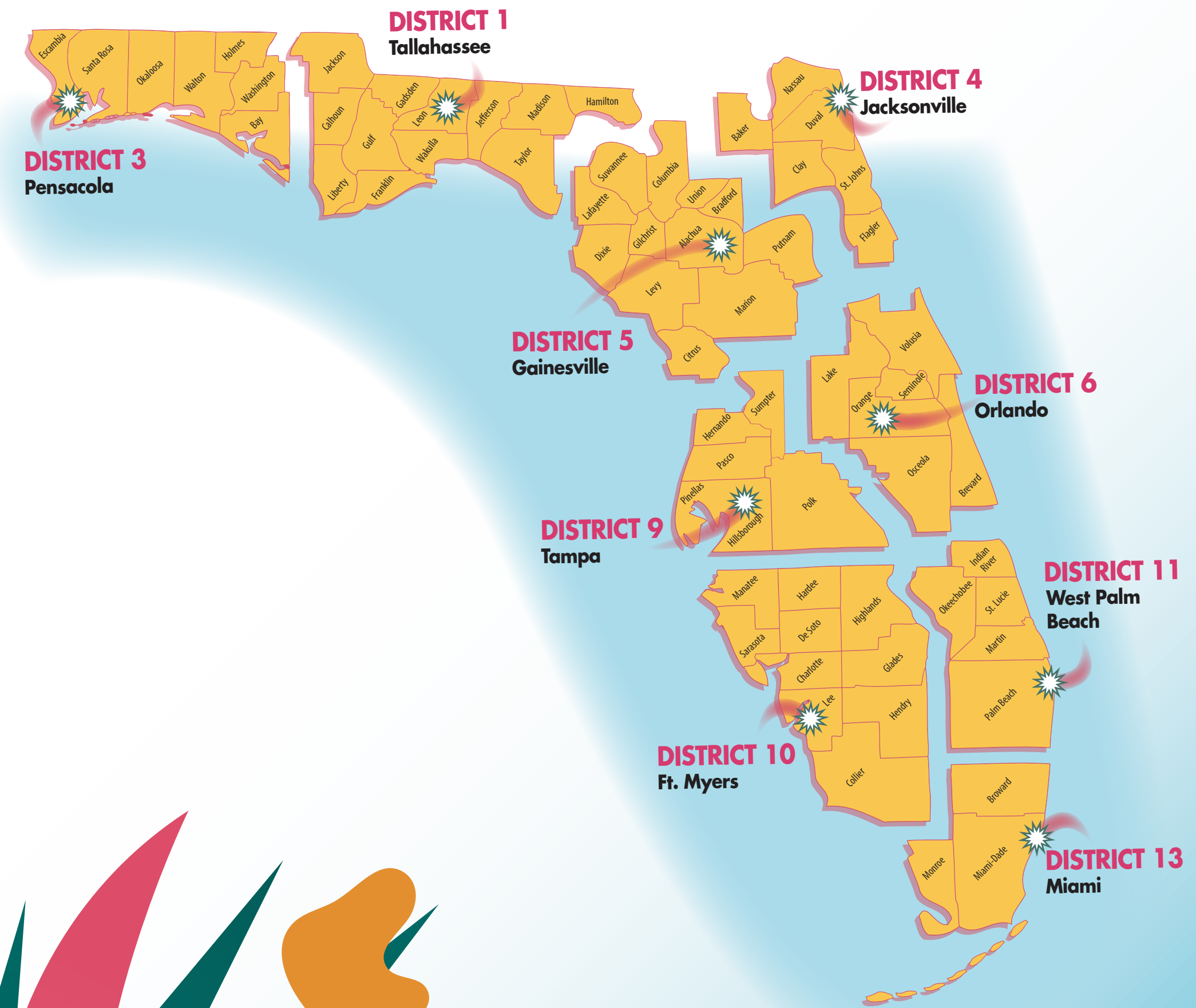


# SALES RECORD BREAKING ACHIEVEMENTS



Together with corporate and independent retail partners, the Florida Lottery celebrated another record-breaking year of ticket sales, further increasing contributions to benefit Florida's students and schools. In total, the agency ended the fiscal year with an impressive \$7.5 billion in sales, surpassing previous year's sales by nearly \$354 million, or 4.95 percent.

The Lottery's product and sales team continued to provide players with new and exciting products – launching over 40 new games and distributing nearly 1 million pieces of Point of Sale marketing materials across the state.



## SCRATCH-OFF GAMES AND PROMOTIONS

This year, the Lottery introduced 35 new Scratch-Off games – including three new families of games – offering players a variety of play styles, price points, and prize offerings. This broad product mix, coupled with a wide audience appeal, led to a Scratch-Off sales increase of \$727 million, accounting for approximately \$192 million in additional contributions to education this year. By the end of fiscal year 2019-20, **THE LOTTERY ACHIEVED ITS NINTH CONSECUTIVE YEAR OF RECORD-BREAKING SCRATCH-OFF SALES, SURPASSING \$5.6 BILLION!**

In July, the popular player favorite WEEK FOR LIFE-themed family of Scratch-Off games was reintroduced, generating more than \$433.3 million in sales and over \$81 million in contributions to education. The Cash Payday Second Chance Promotion was a key to this success, giving players an opportunity to win up to \$20,000 by entering non-winning WEEK FOR LIFE tickets into the second chance promotion. These games continue to be a huge sales-driver, with top prizes ranging from \$500 to \$5,000 a week for life!

The Lottery unveiled its newest \$20 game, \$5,000,000 LUCK, followed by a family of HOLIDAY LUCK games, ranging in price from \$1 to \$10, just in time for the holiday season. **THE LUCK GAMES ACCOUNTED FOR MORE THAN \$584.4 MILLION IN SALES AND GENERATED MORE THAN \$102 MILLION FOR THE EETF.**

These games were supported by the HOLIDAY LUCK Second Chance Promotion, where players had the opportunity to enter non-winning tickets for the chance to win up to \$10,000. This holiday promotion garnered more than one million additional entries compared to the previous year's holiday promotion.

The X MULTIPLIER family of Scratch-Off games helped to ring in the new year in style! The third family of Scratch-Off games to launch this fiscal year, the X MULTIPLIER family featured four tickets ranging in price from \$1 to \$10. These games offered new ways for Floridians to multiply their winnings instantly, while also giving them the chance to win up to \$100,000 in cash prizes through the Xtra Chance Promotion. In total, the X MULTIPLIER family of games generated more than \$486.2 million in sales and approximately \$91 million in contributions to the EETF.

This fiscal year, Scratch-Offs had 33 weeks of sales over \$100 million – more than double from the previous year. This Scratch-Off sales success culminated in March, when the Lottery set a new all-time industry record for the highest single week of Scratch-Off sales, topping \$149.8 million!



## TERMINAL GAMES AND PROMOTIONS

This fiscal year, Lottery revenues on terminal game tickets exceeded \$1.8 billion on terminal ticket games, generating \$674.8 million to enhance education in Florida.

Starting the year off, the multi-state Draw game CASH4LIFE® expanded drawings from twice a week to nightly. This gave players more opportunities to play for the chance to win top prizes of \$1,000 a day for the rest of their life! The CASH4LIFE Draw game attracted new players through Lottery promotions and increased awareness surrounding the added draw days. After 12 months operating under this new draw schedule, the game celebrated its best year ever since launching in Florida in 2017, earning \$65 million in sales, and surpassing its first full year of sales by 10 percent.

Throughout fiscal year 2019-20, the Lottery offered five limited-time promotions, giving players the chance to win prizes instantly. Of these promotions, the Triple Cash Promotion, which leveraged six of the Lottery's daily Draw games, was the clear player favorite! Entries into this promotion accounted for one-third of all tickets sold between January 27 and February 28, totaling an impressive nine million ticket entries. The Triple Cash Promotion garnered more entries than any single Lottery promotion in recent history.

### THE TRIPLE CASH PROMOTION GARNERED MORE ENTRIES THAN ANY SINGLE LOTTERY PROMOTION IN RECENT HISTORY.

Fast Play™ games, added to the Lottery's full-time portfolio in 2017, saw eight new games for the year and accumulated over \$20 million in sales. This relatively new play style offers players a chance to win instantly, with games printed from the Lottery terminal.

For the fourth consecutive year, the PICK Daily Games™ saw record-high sales and transfers to education. The combined total for all four games exceeded \$730 million in sales during fiscal year 2019-20, resulting in \$292 million in revenue for Florida students and schools.

## LOTTERY DISTRICT OFFICE SUCCESS

All nine Florida Lottery district offices exceeded their annual sales goals, with Miami, Tampa, and Orlando each surpassing \$1 billion in sales for the year. To put this in perspective in terms of sales, Miami, Tampa and Orlando would rank 16th, 18th and 19th respectively in comparison to other State lotteries if they were to operate as their own Lottery.

### SALES FOR THE MIAMI, TAMPA, AND ORLANDO DISTRICT OFFICES REACHED \$1.53 BILLION, \$1.37 BILLION, AND \$1.28 BILLION, RESPECTIVELY.

To further bolster sales at the store level, Lottery district staff upgraded retailers with more than 24,500 new Scratch-Off ticket dispenser facings (bins), both increasing the Lottery's retail footprint and creating more opportunity for incremental sales. This gave business owners ample space for popular inventory and more bins to showcase new products.

During fiscal year 2019-20, more than 134,000 players claimed prizes at Lottery Headquarters and district offices throughout the state. The Lottery also returned more than \$2.5 million to the State of Florida, in the form of state-owed debt.

## CORPORATE SUCCESS

The Lottery's Corporate Accounts team continues to focus on growth and development within corporate chains throughout Florida. They capitalize on opportunities to enhance awareness around Lottery products, promotions, transfers to education, and educate chains on Lottery integrity and responsible gaming initiatives.



During fiscal year 2019-20, corporate account sales were up 3.91% over last fiscal year, driven by Scratch-Off sales which saw a 15.61% increase year-over-year. The corporate sales team executed strategic initiatives throughout the year that contributed to significant gains in Scratch-Off sales and improved Lottery product visibility.

Corporate Accounts continued to capitalize on new growth opportunities in fiscal year 2019-20, with chains expanding and adding storefronts throughout the state. Publix installed 6,940 new game dispenser facings in 620 of their stores, increasing the variety and visibility of games for players, while improving operational efficiencies.

## THE LOTTERY'S PARTNERSHIP WITH PUBLIX ACCOUNTS FOR NEARLY 20% OF ALL TICKET SALES FOR FISCAL YEAR 2019-20.

Walmart Supercenters received Lottery upgrades that included the installation of 194 Full-Service Vending Machines (FSVMs) in stores throughout the state. As an independent Point of Sale, these vending machines feature an array of Terminal and Scratch-Off products, all within a convenient one-stop-shop location. With digital touch displays, these FSVMs contributed 3,800 new product dispenser facings across the state.

Business engagements, including 7-Eleven sales rallies and the annual Murphy USA Leadership Expo, also play a vital role in nurturing corporate partnerships each year. Events like these give the Corporate Accounts team a platform to discuss business drivers and share success stories with key stakeholders and industry decision makers. The Lottery continues to use these types of events to build on existing relationships and invite chains to explore new in-store marketing opportunities.

This year, the in-store placement of key product messaging – including digital jackpot signs and lighted signs – was approved by some of the top-25 chains in Florida, including Circle K, Murphy USA, and Cumberland Farms. These efforts continue to enhance product awareness with players, pointing them to the latest games and information throughout the retail space.

As a result of the strategic planning and partnerships created by the Corporate Accounts team, top chains across the state take pride in knowing their stores are helping generate funds to enhance education across each community in Florida.



# CELEBRATING WINNING MOMENTS

The Florida Lottery is proud to share in the excitement of its players as they realize they have won hundreds, thousands, and even millions of dollars playing the Florida Lottery! This year, the Lottery celebrated life-changing moments with 188 new millionaires whose dreams came true while playing their favorite Scratch-Off and Terminal games.

## **SINCE 1988, THE FLORIDA LOTTERY HAS CREATED 2,714 NEW MILLIONAIRES THROUGH THE SALE OF LOTTERY GAMES!**

On January 29, the Lottery announced a single ticket was the sole winner of the \$396.9 million POWERBALL® jackpot. After weeks of suspense, Sheryll Goedert, managing member of the Vacation Life LLC, claimed the \$396.9 million jackpot prize, becoming Florida's 13th POWERBALL jackpot winner since joining the game in 2009. The retailer where Goedert bought the winning POWERBALL ticket also won big, receiving a \$100,000 bonus commission for selling the jackpot-winning ticket!

## **AS A RESULT OF ANOTHER RECORD SALES YEAR, LOTTERY OFFICES PROCESSED 134,000 WINNERS WITH CLAIMS OVER \$600.**





## SCRATCH-OFF GAMES

Florida Lottery Scratch-Off games paid more than \$4 billion in prizes this year, creating over 108,000 winners of \$600 or more, including 141 millionaires!

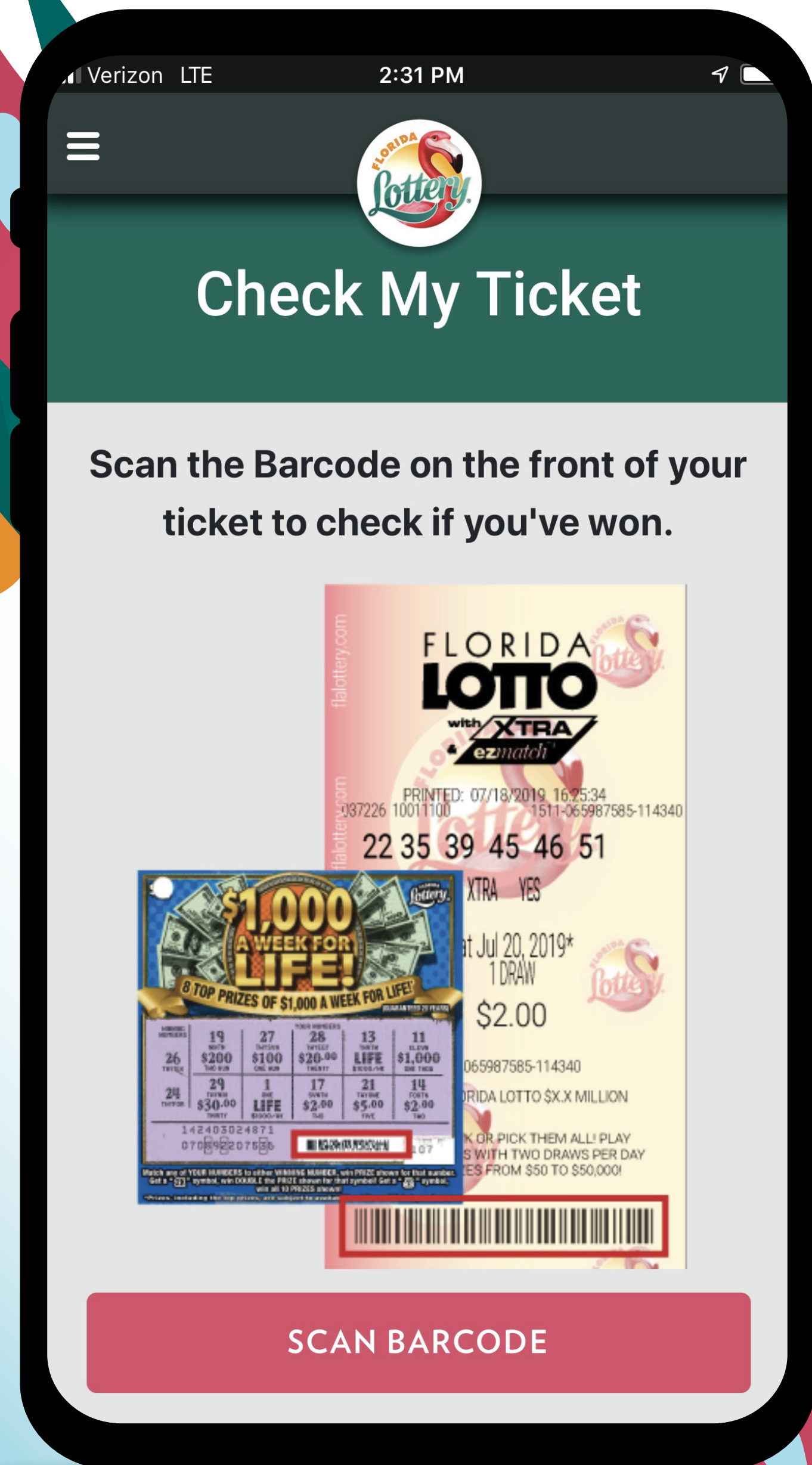
## TERMINAL GAMES

Florida Lottery Terminal games paid over \$1 billion in prizes, creating more than 26,000 winners of \$600 or more, including 47 millionaires!

## PROMOTIONS

In addition to Scratch-Off and Terminal games, Lottery players received other chances to win spectacular prizes – ranging from free Lottery tickets, to all-expense paid trips to New York City, to amazing cash prizes – through a variety of promotions and second chance opportunities.

# THE NEW LOTTERY MOBILE APP - UNVEILED!



In June, the Florida Lottery celebrated the launch of its new mobile app, replacing the outdated version previously available only to iPhone users. The new app allows players to take the Florida Lottery with them wherever they go and stay connected to the latest Lottery information and winning numbers. Some of the key upgrades the Lottery app received include:

- **CHECK MY TICKET.** SCAN A TICKET BARCODE TO DETERMINE THE TICKET VALUE.
- **SECOND CHANCE.** ENTER TICKETS INTO SECOND CHANCE PROMOTIONS BY SCANNING TICKET BARCODES.
- **PICK NUMBERS.** CREATE AND SAVE YOUR FAVORITE NUMBERS ON DIGITAL PLAYSLIPS, THEN USE THEM TO PURCHASE TICKETS AT ANY FLORIDA LOTTERY RETAILER.
- **WINNING NUMBERS.** FIND CURRENT JACKPOTS AND SEE THE WINNING NUMBERS FOR EVERY FLORIDA LOTTERY TERMINAL GAME.
- **RETAILER LOCATOR.** FIND NEARBY FLORIDA LOTTERY RETAILERS.
- **SCRATCH-OFFS.** FIND OUT ABOUT THE NEWEST FLORIDA LOTTERY SCRATCH-OFF GAMES AS SOON AS THEY ARE RELEASED.
- **RESPONSIBLE GAMING.** LEARN MORE ABOUT PLAYING THE FLORIDA LOTTERY'S GAMES RESPONSIBLY.

The Lottery's new mobile app is free and available to both iOS and Android users. Players can download the app by visiting the iOS app store or Google Play Store, searching "Florida Lottery", and tapping the download button.

It's important to note that the Florida Lottery does not accept wagers, bets, or payments of any kind through its mobile app.



APPLE STORE

**DOWNLOAD THE  
FLORIDA LOTTERY APP**



GOOGLE PLAY STORE



# RESPONDING TO THE GLOBAL CORONAVIRUS PANDEMIC

The fourth quarter of fiscal year 2019-20 brought many unforeseen challenges to businesses and households throughout Florida and beyond, demanding creative problem solving and careful planning in response to the COVID-19 pandemic.

In March, the Lottery closed the doors of its offices across the state to the public for the first time in its 32-year history in an effort to help reduce the spread of COVID-19. All in person office meetings shifted to digital platforms, giving Lottery employees the ability to collaborate remotely through phone and video calls. Consequently, the Lottery suspended all non-essential travel.

In April, the Lottery made the decision to halt launches of upcoming promotions and some new games and shifted advertising to promote education and safe play practices. Information was also distributed to the Lottery's more than 13,000 retail partners containing tips on Lottery best practices for COVID-19 prevention. These tips touched on every aspect of the Lottery player-retailer interaction, from playing and filling out playslips, to payment methods, to checking winning tickets and paying prizes, to general safety tips provided by the Florida Department of Health and the Centers for Disease Control and Prevention.

At the district level, Lottery sales representatives transitioned to conducting business activity by phone, checking retailer inventory levels and monitoring daily operational needs remotely. Through coordinated efforts, eligible team members shifted to teleworking. The implementation of a remote call center gave the Games Administration team the ability to manage the retailer hotline, continue answering calls from players, and complete essential duties for daily game drawings all from home.

Seeing an immediate need to provide alternatives for players while in-person claims were on hold, the Lottery issued an Emergency Order to extend the deadline required to claim a Lottery prize. The Lottery also established a secure drop box at each district office, giving players another option to safely claim their winning tickets as an alternative to submitting them via mail or waiting for offices to reopen. As a result, more than 32,000 drop box claims were processed while Florida Lottery offices remained closed to the public, with an average of 555 drop box claims per day.



# ORGANIZATIONAL OVERVIEW



As required by subsection 24.105(4), Florida Statutes, the following information reflects the organizational structure of the Florida Lottery as of June 30, 2020.

**Office of the Secretary** directs the operations of the Florida Lottery and is responsible for the effective management of the Lottery in accordance with directives identified in statutes and corresponding rules, policies and procedures.

**Chief of Staff** assists the Secretary in providing excellence in customer service, overall organization, direction, and coordination, both in day-to-day activities and in long-range planning.

**Legislative Affairs** coordinates the Lottery's implementation of statutory changes, budget and proviso language directives.

**Communications** promotes awareness and understanding of the state's use of Lottery money to provide enhancements to education in Florida. Provides public relations support for new game launches, promotions and events, and coordinates all Lottery activities with the news media, including spokesperson interviews, media inquiries, news conferences, press releases and the Lottery's social media efforts.

**Administration** assists the Secretary by managing support services, procurement, personnel, and Project Management.

**Support Services** provides the day-to-day operational services including facilities management, fleet management, property/inventory control, warehousing operations, records management and mail operations. The unit oversees janitorial and other administrative contracted services.

**Procurement** provides strategic service in the acquisition of commodities and contractual services necessary in the operation of the Florida Lottery. Procurement manages and administers the contract management process as well as provides resources in the monitoring of contract deliverables.

**Human Resources** provides strategic leadership relative to employee recruitment, retention and training. The division administers a comprehensive human resources program including recruitment, selection, performance management, payroll, training, benefits, classification and pay, and attendance and leave.

**Project Management** requires an active Project Management Professional (PMP®) certification. Works independently and requires advanced administrative and technical knowledge. Project Manager is responsible for providing guidance to staff on the overall direction, coordination, implementation, execution, control and completion of critical agency projects.

**Finance and Budget** oversees the development and monitoring of the department's budget, all financial reporting, disbursements and monitoring of cash flows.

**Budget** prepares the annual legislative budget request and any necessary budget amendments for the Lottery, monitors expenditures to ensure budgetary compliance, and coordinates the development of the Lottery's long-range program plan.

**Finance** is responsible for making payments to vendors in accordance with subsection 215.422, Florida Statutes; receipting and investing funds to maximize earnings to education and producing statutorily required monthly financial reports and annual financial statements.

**Claims Processing** processes the prize payments of tickets submitted to Lottery headquarters, assists district offices with the payment of prizes presented at those offices, and coordinates all withholding and reporting requirements with the Internal Revenue Service.

**Information Resources** provides strategic and automated solutions to fulfill the Lottery's business needs through efficient and effective development and deployment of the Lottery's information technology resources, including optimizing the sale of Lottery tickets and ultimately enhancing contributions to education. Operations consists of the following units:

**Software and Data Services** automates and improves the Lottery's business processes by building information applications that enable and optimize the development of new Lottery products, payment of winners, electronic payment by retailers, retailer incentive programs and other mission-critical initiatives.

**Systems and Operations Services** maintains a secure, power redundant data center environment, provides telecommunications systems and services, and provides desktop computing and technology infrastructure services for the Lottery. This unit also maintains the Lottery's Information Technology Disaster Recovery plan.

**Information Security Management (ISM)** develops and coordinates information security infrastructure and programs to provide protection and ensure integrity for the department's computers, data and networks.

**Security** provides security services for the Lottery, including protection of buildings and facilities, investigative activities and game draws. In addition, the Division of Security conducts background investigations for vendors, retailers and employees; manages the department's safety awareness program and the Lottery's Continuity of Operations Plan (COOP).

**Investigations and Operations** monitors the physical security of all Lottery facilities and investigates security breaches. This unit also investigates problem claims and allegations of potential illegal activity and is responsible for managing the draw process.

**Intelligence and Administrative Support** conducts background investigations on potential vendors, contractors, retailers and employees, and provides analytical support for other criminal investigations. This section provides maintenance and hardware support for the Integrated Security System and manages the agency's loss prevention program, which aids retailers in reducing ticket theft and informs the general public of Lottery-related scams and other fraudulent activity.

**General Counsel** provides consultation, direction and representation in all legal matters affecting the Lottery.

**Games Administration** manages all retailer accounting and systems related to game transactions, including ticket inventory. The unit coordinates all terminal gaming functions for Lottery Terminal games, including closing games for draws, entering the winning numbers into the gaming system, and setting the games to pay winners. Games Administration serves as the system coordinator and liaison to all Lottery retailers. This team also communicates directly with players, responding to inquiries regarding games and various other facets of operations with the goal of exceeding customers' expectations.

**Retailer Contracting** evaluates and approves retailer applications, entering into contracts with retailers that will best serve the public interest and provide adequate and convenient availability of Lottery tickets. The unit directly supports the Lottery's efforts in the recruitment and retention of retailers. Through its application and contract renewal process, this unit evaluates the integrity and financial responsibility of all Lottery retailers. The unit is also responsible for collection efforts by tracking retailer payment delinquencies and coordinating financial reviews of retailers, as necessary.

**Software Quality Assurance** is responsible for researching gaming system functional requirements and performing user acceptance testing on all gaming system software prior to implementation.

**Brand Management** oversees all areas relating to the promotion and sale of Lottery products, community outreach and partnerships, marketing, graphics, and brand operations.

**Advertising** drives sales by supporting product launches and bringing awareness to Lottery products and contributions to education. In addition to traditional radio and television media buys in the General, Hispanic and Haitian markets, the Lottery advertises on static and digital billboards, on social media, and has a presence on nightly television carrier stations to showcase our Terminal games.

**Community Outreach** drives the growth of the Lottery beyond its core business, focusing on opportunities that have a shared value around education. Cultivating these types of relationships provides a platform that allows the Lottery to share its story around supporting education throughout the state. Responsibilities also include identifying, evaluating, negotiating, and implementing new and diverse partnerships that reach the entire State of Florida.

**Graphics** provides overall art design and direction for the Lottery. They are responsible for the development, production and implementation for all point of sale materials for in-store game promotions, which includes more than 20 promotions every year. Additionally, the Graphics department oversees quality control for Scratch-Off ticket design, logo usage, publications, promotional items and Lottery presentations.

**Brand Operations** is responsible for the oversight of the Draw Studio, brand contracts and any special projects. This team also oversees the Lottery's Responsible Gaming program.

**Product & Sales** assists the Secretary by increasing sales statewide through effective product development and research, along with the implementation of a strong sales strategy.

**Corporate Sales** is responsible for the growth and development of the Lottery's corporate business. The unit serves as a liaison between Lottery and main corporate offices of retailers statewide.

**District Offices** manage the sale, promotion and redemption of Lottery products through a statewide network of more than 13,000 Lottery retailers. In addition to the office management staff, each of the nine district offices employs a staff of sales representatives who assist in the promotion and sale of Lottery products at the retail level.

**Product** provides direction, oversight and evaluation of daily business functions related to Research, Product Development and Business Development with the primary focus of managing programs aimed at increasing Lottery sales and transfers to the EETF.

**Research** initiates and oversees consumer market studies primarily contracted through the Lottery's research vendor of record. The unit's projects center on consumer, retailer, retail environment and advertising campaign analysis. The unit also provides valuable data used to determine products to be developed, revenue forecasting and overall program effectiveness.

**Office of the Inspector General** assists the Secretary with internal control systems necessary to ensure the fiscal accountability and integrity of the Lottery. The division is responsible for performing financial, compliance, and performance audits of the Lottery, and preparing audit reports of said findings and investigations.



# FINANCIAL OVERVIEW

Included here is a summary of the Lottery's financial overview for Fiscal Year 2019-20. To view the full report in its entirety, [click here](#).

For the third year in a row, the Florida Lottery's Division of Accounting received the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report. The award is the highest form of recognition in governmental accounting and financial reporting. The certificate is awarded to entities who go above and beyond the minimum requirements of generally accepted accounting principles and evidences a spirit of transparency and full disclosure.

# FINANCIAL REPORT

Condensed Statements of Revenues, Expenses and Changes in Net Position  
For the Years ended June 30, 2020, and June 30, 2019 (In Thousands)

	June 30, 2020	June 30, 2019
<b>Operating Revenues:</b>		
Ticket Sales	\$7,505,112	\$7,151,236
Bad Debt Expense	(1,318)	(1,041)
Terminal & Retailer Fees and Miscellaneous	7,833	7,688
<b>Total Operating Revenues</b>	<b>7,511,627</b>	<b>7,157,883</b>
<b>Operating Expenses:</b>		
Prizes	5,030,240	4,638,488
Retailer Commissions	420,843	398,162
Vendor Commissions	108,314	103,210
Other Expenses	82,450	82,195
<b>Total Operating Expenses</b>	<b>5,641,847</b>	<b>5,222,055</b>
<b>Income from Operations</b>	<b>1,869,780</b>	<b>1,935,828</b>
<b>Nonoperating Revenue, Net of Expenses</b>	<b>48,099</b>	<b>27,554</b>
<b>Income Before Operating Transfers</b>	<b>1,917,879</b>	<b>1,963,382</b>
<b>Total Transfers to EETF</b>	<b>(1,913,799)</b>	<b>(1,927,054)</b>
<b>Change in Net Position</b>	<b>4,080</b>	<b>36,328</b>
Net Position, Beginning	84,563	48,235
<b>Net Position, End of Year</b>	<b>\$88,643</b>	<b>\$84,563</b>

