



PRINT REPORT

2020 - 2021

ANNUAL REPORT

MESSAGE FROM **THE GOVERNOR**

Dear Friends,

It is with great pride that I congratulate the Florida Lottery on another record-setting year. Under the leadership of Secretary John F. Davis, the Lottery generated \$2.2 billion for education in Florida this fiscal year, resulting in more than \$39 billion in contributions to the Educational Enhancement Trust Fund (EETF) since 1988. These dollars benefit every facet of education in schools throughout each of Florida's 67 counties and provide resources for students at every level – from kindergarten to college.

In February, the Lottery set a national record for the highest Scratch-Off sales during a single week, solidifying Florida as one of the top Lotteries in the country in terms of sales. Furthermore, they set an example as one of the most efficient Lotteries in the nation, operating on just one percent of total annual revenue.

Once again, the Florida Lottery had a historic year. Their contributions to Florida's public education system made it possible for our students to obtain a brighter future.

Sincerely, Ron DeSantis
Governor





MESSAGE FROM **THE SECRETARY**

Colleagues and Friends,

I am honored to present the Lottery's 2020-21 fiscal year Annual Report. Since being appointed as the tenth Secretary to the Lottery by Governor Ron DeSantis in 2020, I have had the privilege of leading a team of highly motivated and skilled professionals who are dedicated to offering Floridians the best Lottery games possible.

The Lottery has been creating big wins for Floridians since 1988; from retail shop owners looking to increase their foot traffic, to winners who become multi-millionaires overnight, to first generation college graduates who earn their degree with the help of the Bright Futures Scholarship Program. We are extremely proud of the work we do to ensure that Floridians always win, with the real winners being the students who benefit from the sale of each Lottery ticket.

These Lottery dollars continue to enhance education, and account for more than \$800 million in funding for Pre-K, K-12, and school construction, and \$538 million for public colleges and universities. Since 1997, the Lottery has been the primary funding source for the Bright Futures Scholarship Program, contributing more than \$6.8 billion to help more than 880,000 students attend college, and thereby developing and retaining talent here in Florida for the betterment of our state.

I am extremely proud of the many successes we're celebrating this year, as we continue to support education in Florida by providing a low-cost form of entertainment for our players.

Sincerely, John F. Davis

Secretary



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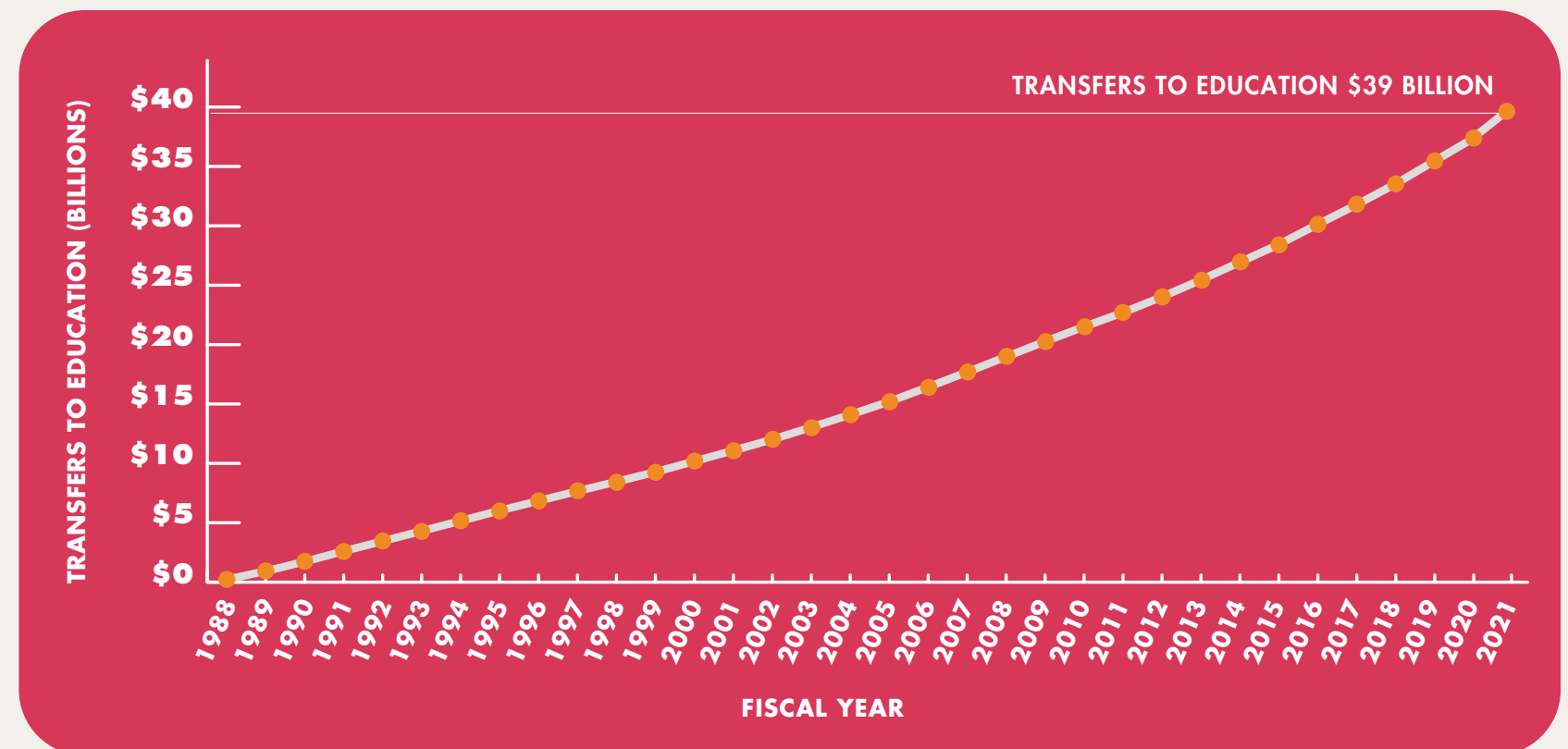
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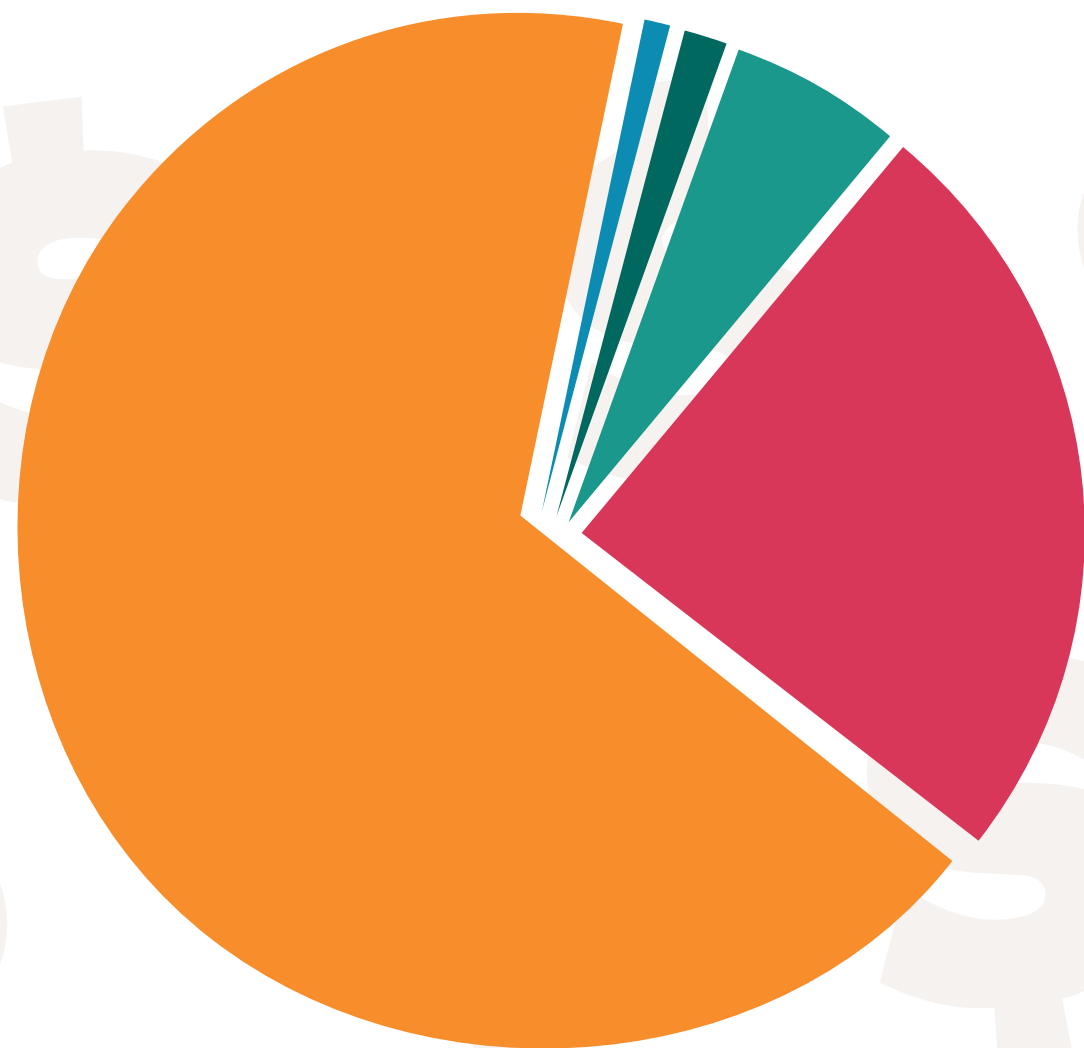
CONTRIBUTIONS TO EDUCATION

The Lottery is in the business of making dreams come true. This goes far beyond players, reaching students, their families, and educators alike. Since opening our doors in 1988, the Lottery's sole mission has revolved around maximizing revenues for the enhancement of public education in Florida. This is accomplished through low-cost, fun, and entertaining Lottery games that are designed for players 18 years of age and older. A portion of each ticket sold provides additional funding to education, giving Floridians quality education opportunities that help them achieve their goals and aspirations in life.

This year, and for the first time ever in a single fiscal year, the Lottery transferred more than \$2 billion to the State's Educational Enhancement Trust Fund (EETF), increasing the Lottery's total contributions to education since inception to \$39 billion.

The Lottery is the only state agency that does not receive General Revenue. In fact, all operating and administrative expenses are generated through the sale of Lottery games, and 99 percent of each ticket purchase goes back to the community through contributions to education, prizes to players, and commissions to retailers.





BREAKDOWN OF THE **LOTTERY DOLLAR**

67.5% Prizes

24.6% Education

5.6% Retailer Commissions

1.3% Vendor Fees

1.0% Lottery Operations

RESPONSIBLE GAMING

The Lottery is committed to building responsible gaming best practices into every aspect of our operations and currently holds Responsible Gaming certifications from the World Lottery Association (WLA), as well as the North American Association of State and Provincial Lotteries (NASPL), and the National Council on Problem Gambling (NCPG). These initiatives educate players on the importance of playing responsibly and provide information and resources through our award-winning Player's Guide microsite, social media, digital ads, outdoor signage, and other various player and retailer-facing messaging throughout the year. In October, the Player's Guide earned a Batchy Award from NASPL, in recognition of the Lottery's level of excellence in design and marketing of the new website.

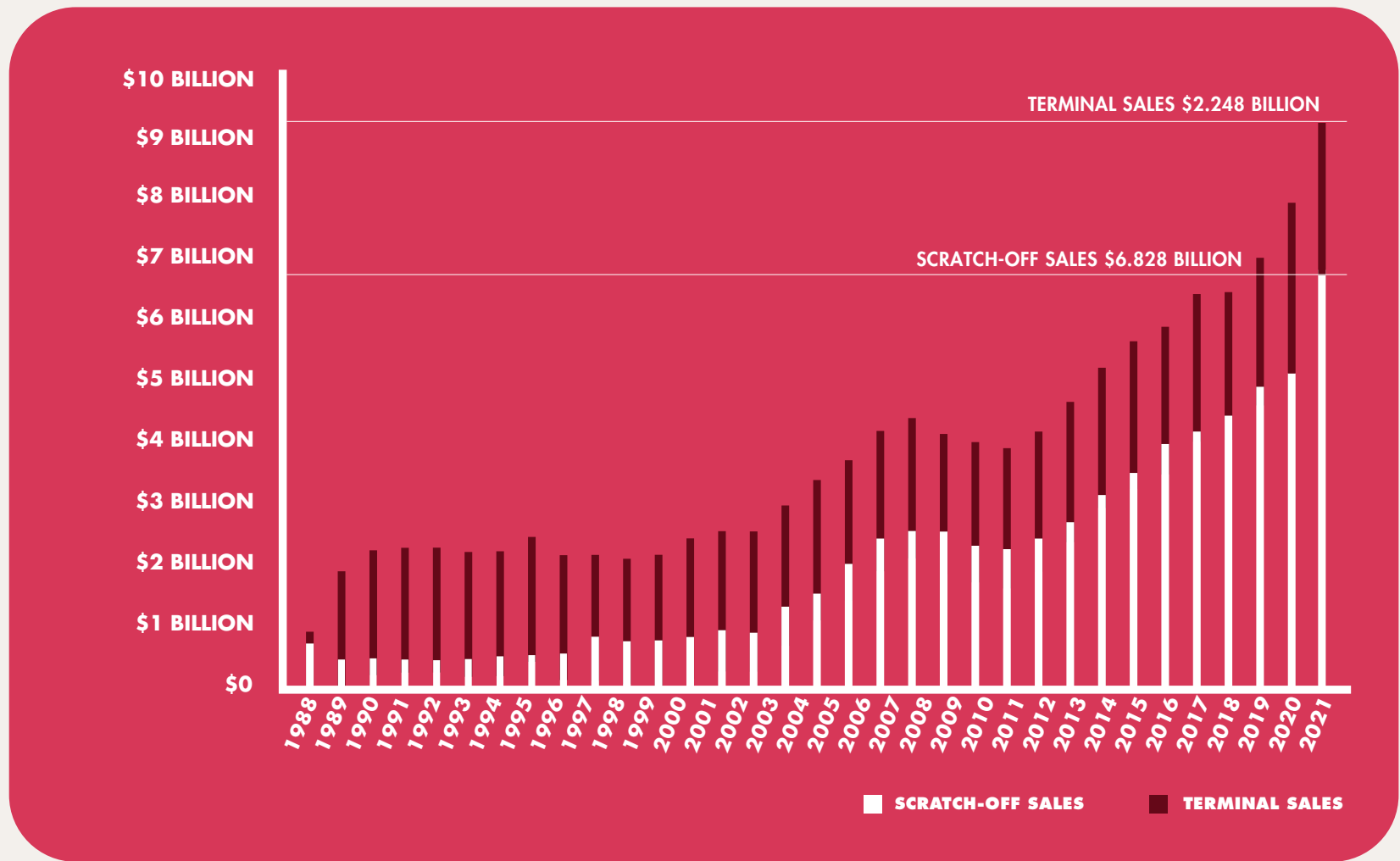
The Lottery also actively participates in Problem Gambling Awareness Month each spring, Responsible Gaming Education Week each fall, and a Gift Responsibly campaign during the holidays. These programs are part of the "always-on" messaging that encourages responsible play and provides valuable resources for players.



RECORD SALES

Together with corporate and independent retail partners, the Lottery celebrated another record-breaking sales year, further increasing contributions to benefit Florida's students and schools. In total, the agency closed this fiscal year topping \$9.0 billion in sales, surpassing the previous year's sales by more than \$1.5 billion, or 20.93%.

The Lottery's product and sales teams continued to provide players with new and exciting products – introducing more than 40 new games and promotions and distributing upwards of 2.5 million pieces of marketing material across the state.





GAMES AND PROMOTIONS

This year, the Lottery introduced 38 new Scratch-Off games – including three new families of games – offering players a wide 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 \$1.16 billion and accounted for approximately \$218 million in contributions to education. This resulted in the Lottery achieving its tenth consecutive year of record-breaking Scratch-Off sales, surpassing \$6.8 billion!

THE LOTTERY ACHIEVED ITS TENTH CONSECUTIVE YEAR OF RECORD-BREAKING SCRATCH-OFF SALES, SURPASSING \$6.8 BILLION!

To kick things off this fiscal year, the Lottery introduced the MONOPOLY™ BONUS SPECTACULAR family of Scratch-Off games and corresponding Monopoly Bonus Promotion in July. These four new games were offered at the \$1, \$2, \$5, and \$10 price points, and non-winning tickets could be entered into the Monopoly Bonus Play Promotion for the chance to win \$300,000 in prizes. Two months later, the best-selling X THE CASH family of games was reintroduced, which included five games ranging in price from \$1 to \$20. Combined, these two families of games garnered more than \$1.4 billion in sales and generated more than \$241 million for education.

The second half of the year saw equally exciting and successful Scratch-Off game launches. In January, four new GOLD RUSH SUPREME Scratch-Off games hit shelves, followed by the \$30 game, BILLION DOLLAR GOLD RUSH SUPREME in February. These games, featuring top prizes of \$10,000 to \$15 million, were supported by the year-long Gold Rush Supreme Bonus Play Promotion. Prizes included a growing jackpot, cash prizes of \$500 to \$5,000, and the opportunity to

instantly win coupons for free Lottery tickets or \$25 cash. In just six months, the GOLD RUSH SUPREME family of games yielded more than \$836 million in sales and generated \$131 million in additional revenues for students and schools.

Scratch-Off sales exceeded \$100 million every week this fiscal year, surpassing the previous year's record by 19 weeks! This Scratch-Off sales success peaked in February when the Lottery set a new industry record for the highest single-week of Scratch-Off sales of \$193.5 million!

Lottery Terminal game sales for fiscal year 2020-21 grew by 22.2% over the previous year, exceeding \$2.2 billion and translating to \$884.5 million in revenue to enhance education. The driving force behind this growth came from the FLORIDA LOTTO® game and PICK Daily Games™ Draw games.

In October, the Lottery's flagship Draw game, FLORIDA LOTTO®, was upgraded with a new look and play features, including a prize multiplier on every ticket and a new Double Play® add-on feature. The price also increased from \$1 to \$2 per play. These game enhancements resulted in a sales increase of \$74.5 million over the previous fiscal year.

In January, a new add-on feature called Fireball® was added to the PICK Daily Games™, giving players the ability to create more number combinations for more chances to win. For the fifth consecutive year, and with the addition of Fireball, the PICK Daily Games saw record sales and transfers to education. The combined total of all four games—PICK 2, PICK 3, PICK 4, and PICK 5—exceeded \$862 million in sales for the year, resulting in \$339 million for students and schools.

Additionally, the Lottery offered several limited-time promotions that further increased sales and contributions to education and provided players with additional value for their Lottery play. This included increased prize payouts on FANTASY 5® tickets during the Bonus Cash Fridays Promotion that took place in September, as well as other Bonus Play Promotions offered throughout the year.

DISTRICT OFFICES & CORPORATE ACCOUNTS

For the fourth consecutive year, all nine Lottery District Offices exceeded their annual sales goals, with the Miami, Tampa, and Orlando offices each surpassing \$1.5 billion in sales for the year. What makes this even more impressive is that these offices surpassed \$1.1 billion in Scratch-Off sales alone! In fact, if the Miami, Tampa, and Orlando district offices each operated as independent Lotteries, they would rank 16th, 17th, and 18th, respectively, in terms of sales compared to all other state Lotteries nationwide.

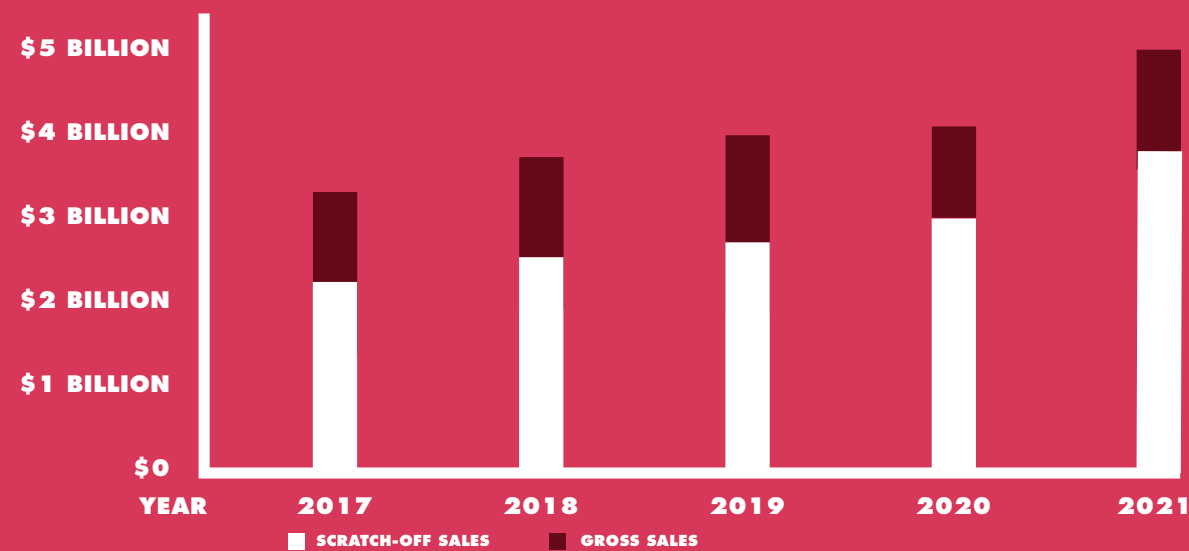
SALES FOR THE MIAMI, TAMPA, AND ORLANDO DISTRICT OFFICES SURPASSED \$5 BILLION COMBINED!

During fiscal year 2020-21, more than 286,000 claims were processed at Lottery Headquarters and District Offices throughout the state. Despite an influx of mail-in claims this year, the Lottery developed unique ways to ensure prizes were paid and processed in a timely manner. The Lottery also returned more than \$4.5 million to the State in the form of state-owed debt.

The Lottery's Corporate Accounts team continued to focus on growth and development within corporate chains throughout Florida, capitalizing on opportunities to enhance awareness around products, promotions, and education efforts. They also continue to educate these chain retailers on the Lottery's integrity and responsible gaming initiatives.



CORPORATE ACCOUNT SALES



Sales from the Lottery's corporate accounts increased by 20.8% over last fiscal year. This can be attributed to a number of strategic initiatives aimed at improving product visibility, resulting in significant gains in Scratch-Off sales.

One of these highly successful initiatives was in partnership with Southeastern Grocers (Winn-Dixie), which gave players the ability to purchase tickets from a limited selection of top-selling games right in the grocery check-out lane – all within a single transaction. This sales initiative was key to giving customers an additional purchasing option, which eliminates the need for players to stop at another purchase location and benefits the retailer. The initial pilot results show a consistent increase in Scratch-Off sales above the state average.

THE LOTTERY'S CORPORATE PARTNERSHIPS ACCOUNT FOR NEARLY 55.3% OF ALL TICKET SALES IN FISCAL YEAR 2020-21.

Additional projects focused on improving the customer experience and creating efficiencies for our retail partners. In Circle K stores, the Lottery's third largest chain partner, the Lottery secured lighted menu boards in approximately 300 stores statewide, enhancing the current in-store Scratch-Off merchandise. This added marketing presence makes it easier for players to decide on their purchase before reaching the check-out counter, improving speed of transactions and creating efficiencies for retailers.



WINNERS

The Lottery is proud to share in the excitement of players as they realize they have won hundreds, thousands, and even millions of dollars playing our games. This year, the Lottery celebrated life-changing moments with 170 new millionaires whose dreams came true while playing their favorite Scratch-Off and Terminal games.

SINCE 1988, THE FLORIDA LOTTERY HAS CREATED 2,884 MILLIONAIRES THROUGH THE SALE OF LOTTERY GAMES!

Terminal games paid more than \$1.4 billion in prizes this year alone, creating more than 44,800 winners of prizes \$600 or more – including 51 millionaires! Additionally, Scratch-Off games paid more than \$4.9 billion in prizes this year, creating 119 millionaires, and more than 178,000 winners of prizes \$600 or more!

CANTONMENT

John Wiggins won \$1 million from the \$5,000,000 GOLD RUSH CLASSIC Scratch-Off game!

TALLAHASSEE

Jan Shekitka won \$1 million from THE FASTEST ROAD TO \$1,000,000 Scratch-Off game!

JACKSONVILLE

Munib Garvanovic won \$5 million from the 200X THE CASH Scratch-Off game!

LAKE CITY

Ariel Gomez won \$500,000 from the DIAMOND MINE 9X Scratch-Off game!

PANAMA CITY

Hans Moorjani won \$28 million playing FLORIDA LOTTO!

FORT WHITE

Vernon Zinnermon won \$1 million from the \$5 GOLD RUSH SUPREME Scratch-Off game!

PERRY

Bryant Waver won \$1 million from THE FASTEST ROAD TO \$1,000,000 Scratch-Off game!

DAYTONA BEACH

James Wilkerson won \$2 million from the \$10 GOLD RUSH SUPREME Scratch-Off game!

MICANOPY

Elizabeth Solomon won \$1 million from THE FASTEST ROAD TO \$1,000,000 Scratch-Off game!

LAND O' LAKES

Thomas Yi won \$235.4 million playing POWERBALL!

ORLANDO

Sertrone Starks won \$2 million from the \$10 MONOPOLY JACKPOT Scratch-Off game!

PLANT CITY

Jonathan Campbell won \$1.4 million playing JACKPOT TRIPLE PLAY!

CLEWISTON

Sylvanis Brice won \$5 million from the \$5,000,000 GOLD RUSH CLASSIC Scratch-Off game!

LANTANA

William Kruker won \$169 million playing POWERBALL!

FORT MYERS

John Dalan won \$2 million from the \$10 MONOPOLY BONUS SPECTACULAR Scratch-Off game!

DAVIE

Chad Lucas won \$15 million from the \$15,000,000 GOLD RUSH SPECIAL EDITION Scratch-Off game!

ST. JAMES CITY

Casey Kolaz won \$2 million from the \$2,000,000 50X CASHWORD Scratch-Off game!

MIAMI

Reinaldo Leon won \$10 million playing the FLORIDA LOTTO!

KEY LARGO

Gilda Diaz won \$1 million from THE FASTEST ROAD TO \$1,000,000 Scratch-Off game!



THE FLORIDA LOTTERY CREATED 170 MILLIONAIRES DURING FISCAL YEAR 2020-21



Wanda Brana of Tampa expressed how grateful she is to have won a \$1 million Scratch-Off prize, and shared that she already has big plans for her winnings, "I have been renting for years, but now I'm finally able to afford a house for my family and me!"

"This is the ultimate housewarming gift," Kristen Frommer of Boynton Beach told the Florida Lottery. "We moved down from New Jersey as renters two months ago, but now there's no question - we're buying a house and becoming Floridians!"



Gregory Thomas of Pensacola, a school bus driver of 30 years, claimed his prize a mere hours after discovering he had won. "I almost didn't believe it when I saw \$1,000,000 printed on the ticket, but after the initial shock, I came straight to Tallahassee to claim my prize!" Thomas shared that he had no immediate plans of retiring or giving up his daily bus route, but he was planning to use some of his winnings to give back to his parents.



James Wilkerson, of Daytona, was excited to invest his winnings in both his family and his family business. "This money gives me the ability to provide the best possible futures for my daughters," he told the Lottery. "I also plan to use some of my winnings to invest in my family's auto business!"

Chief of Staff Reggie Dixon (photos 1 – 3) is pictured celebrating winning moments with new millionaires at Lottery Headquarters in Tallahassee.



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, 2021.

Office of the Secretary directs the operations of the 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 legislative activity for the Lottery and assists with 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 Chief of Staff by managing Support Services, Procurement Management, Human Resources, 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 Management provides strategic services in the acquisition of commodities and contractual services necessary in the operation of the Lottery. Procurement manages and administers the contract management process, and provides resources to Lottery Contract Managers in the monitoring of contract deliverables.

Human Resources provides strategic leadership relative to employee management. The unit 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. The Lottery Project Manager works independently and possesses advanced administrative and technical knowledge. The Project Manager is responsible for providing guidance to staff on the overall direction, coordination, implementation, execution, control, and completion of critical projects.

Finance and Budget oversees the development and monitoring of the Lottery'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, and 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.

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 and manages the Lottery's safety awareness program and the Lottery's Continuity of Operations Plan (COOP).

Investigations and Operational Support units investigate questionable claims and allegations of illegal activity, manage draw games, operate the forensic laboratory, and are responsible for emergency management and internal professional development and training.

Background/Intelligence and Central Alarm Station (CAS) units conduct background investigations on potential vendors, contractors, retailers, and employees, manage the Lottery's retailer integrity compliance program, and aid retailers in reducing ticket theft while informing the public of Lottery-related scams and other fraudulent activity, as well as provide analytical support for criminal investigations. The CAS unit monitors the physical security of all Lottery facilities and provides maintenance and support for the integrated Security system.

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

Gaming Operations consists of five teams that work together to ensure that Lottery operations are maintained securely with an emphasis on exceeding the needs of our customers. Together, these teams support the gaming system and the Lottery's ability to develop, produce, maintain, secure, and sell games, while ensuring everything runs productively and efficiently.

Games Administration supports Lottery staff, retailers, and players by working with vendors to resolve systems related issues and assist with information about game transactions and ticket inventory. The unit coordinates terminal gaming functions for Lottery Terminal games, including closing

games for draws, entering winning numbers into the gaming system, and setting the games to pay winners. Games Administration also serves as a system coordinator and liaison to all Lottery retailers. The team answers phone calls from both the retailer and player hotlines, and responds to inquiries regarding games, prizes, promotions, and various other facets of Lottery operations.

Information Security Management develops and coordinates cyber security infrastructure and programs to provide protection and ensure integrity for the Lottery's computers, data, and networks.

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.

Data Management provides oversight and guidance on the process of intaking, storing, organizing, and maintaining data created and collected by the Lottery, in an effort to preserve valuable information that can be used to make more-informed business decisions in the future.

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. This unit directly supports the Lottery's efforts in the recruitment and retention of retailers. Through its application and contract renewal process, this team evaluates the integrity and financial responsibility of all Lottery retailers. Retailer Contracting is also responsible for collection efforts by tracking retailer payment delinquencies and coordinating financial reviews of retailers, as necessary.

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 consistent presence on Lottery 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 team 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 unit 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 provides a central point for coordination and responsibility for activities that promote accountability, integrity, and efficiency in government, which includes assisting the Secretary with internal control systems necessary to ensure the fiscal accountability and integrity of the Lottery. The division is responsible for performing information technology, compliance, and performance audits of the Lottery, as well as internal administrative investigations, and preparing reports of said findings of those audits and investigations.

FINANCIAL OVERVIEW

INCLUDED HERE IS A SUMMARY OF THE LOTTERY'S FINANCIAL OVERVIEW FOR FISCAL YEAR 2020-21. TO VIEW THE FULL REPORT IN ITS ENTIRETY, [CLICK HERE](#).

Condensed Statements of Revenues, Expenses, and Changes in Net Position As of June 30, 2021, 2020, and 2019 (in thousands).

	2021	2020	2019
Current Assets	\$ 423,888	\$ 437,511	\$ 257,392
Restricted Assets	356,600	382,416	386,966
Capital Assets, Net of Depreciation	7,564	7,273	7,170
Total Assets	788,052	827,200	651,528
Total Deferred Outflows of Resources	14,583	15,341	11,968
Current Liabilities	429,939	427,193	255,348
Current Liabilities Payable from Restricted Assets	22,273	22,095	21,792
Noncurrent Liabilities	281,867	295,127	292,701
Total Liabilities	734,079	744,415	569,841
Total Deferred Inflows of Resources	17,018	9,483	9,092
Net Position:			
Invested in Capital Assets	7,564	7,273	7,170
Restricted Net Position	105,007	139,270	130,558
Unrestricted Net Position	(61,033)	(57,900)	(53,165)
Total Net Position	\$ 51,538	\$ 88,643	\$ 84,563

The Lottery's Accounting team continues to hold 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.



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