

ANNUAL REPORT

2021-2022



MESSAGE FROM THE GOVERNOR

Dear Friends,

I am proud to recognize that the Florida Lottery had yet another amazing year of record sales and record transfers to Florida's Educational Enhancement Trust Fund (EETF). Under the leadership of Secretary John F. Davis, the Lottery generated more than \$2.3 billion for education in Florida this fiscal year. These Lottery funds further support my goal of providing quality education choices for Florida's families and equipping our students with the skills needed to become tomorrow's leaders.

Additionally, I take pride in announcing that for the tenth consecutive year, the Florida Lottery has achieved record sales. During Fiscal Year 2021-22, Lottery sales totaled more than \$9.3 billion, solidifying Florida as the number one Lottery in the nation for the second year in a row.

I congratulate the Lottery and all of its hard-working and dedicated employees on yet another outstanding year. I have the utmost faith and confidence in Secretary Davis and his team as they continue to carry out the Lottery's mission of maximizing revenues for the enhancement of public education in Florida.

Sincerely,
Ron DeSantis
Governor





MESSAGE FROM **THE SECRETARY**

Dear Colleagues and Friends,

It is my pleasure to present the Florida Lottery's Fiscal Year 2021-22 Annual Report.

This year, the Florida Lottery experienced another record-breaking year with more than \$9.3 billion in annual sales. This unprecedented sales year also allowed us to reach record contributions to the EETF surpassing \$2.3 billion for students and schools in Florida and marking the second consecutive year that Lottery contributions have exceeded \$2 billion.

The Lottery wholly supports Governor DeSantis' ongoing pledge to support education in our great state. Our mission is focused on generating additional funding for educational opportunities that lead to brighter futures for students, their families, and the communities in which they reside across our great state. Funding from the Lottery benefits education at every level—from K-12 programs to vocational and technical education programs and state colleges and universities, to the Bright Futures Scholarship Program.

Students across Florida aren't the only winners this year. From the Panhandle to the Keys, Florida Lottery players won more than \$6.3 billion in prizes, including 275 new millionaires! The Lottery's more than 13,000 retail partners also benefited, collectively receiving more than \$523.1 million in sales and bonus commissions.

Thanks to our loyal players, dedicated retailers, and hard-working employees, the future of the Florida Lottery looks brighter than ever.

Sincerely,
John F. Davis
Secretary



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GAMES AND PROMOTIONS

This year, the Lottery introduced 38 new Scratch-Off games, including three new families of games and the Lottery's first-ever \$50 ticket. These innovative, best-in-class games offered players a wide variety of play styles, price points, and prizes! This broad product mix, coupled with a wide audience appeal, led to a Scratch-Off sales increase of \$197 million over the last fiscal year. It was also the first time Scratch-Off sales exceeded \$7 billion and the second consecutive year that Scratch-Off sales exceeded \$100 million every week of the fiscal year.

The Lottery's first-ever \$50 Scratch-Off game, 500X THE CASH, set an industry record for the highest single-week sales of any Scratch-Off game in the country, with sales topping \$58.74 million in its first week. Other noteworthy games included HOLIDAY WINNINGS BLOWOUT, which outperformed the previous year's \$10-holiday Scratch-Off game by 160%, or \$110 million in the first 13 weeks of sales. Lastly, the STRUCK BY LUCK game was Florida's first Scratch-Off to feature a rolling jackpot prize. The game was supported with an interactive digital app that received more than 80,000 downloads in the first two weeks and ranked 112 in the Apple App Store for entertainment apps.

The Lottery's Draw game portfolio also underwent significant enhancements this fiscal year. In August, an additional draw day and a new add-on feature called DOUBLE PLAY® were introduced to the POWERBALL® Draw game. Sales for the Monday drawings exceeded \$100 million and DOUBLE PLAY contributed an additional \$30 million in sales.

In the second half of the year, the Lottery debuted its newest Draw game, CASH POP™, which offers players the chance to win 5 to 250 times their play amount by matching the single number drawn from one to 15. Tickets start at \$1 per number; players can also choose to play \$2 or \$5 per number for a chance to win larger prizes or play multiple numbers to improve their odds of winning. The game offers five draws per day, seven days a week. In less than six months, sales exceeded \$54 million.



PROMOTIONS

To support new and existing Lottery product offerings, numerous promotions were strategically scheduled to excite and engage players, and increase sales and revenue for education, while giving away cash and an array of other prizes. In conjunction with the launch of the POWERBALL enhancements in August, the Lottery conducted the POWERBALL First Millionaire of The Year® promotion. During the promotion, 50 Florida semifinalists were selected to advance to a national live drawing for the chance to win \$1 million during Dick Clark's New Year's Rockin' Eve television broadcast. To incentivize players to try DOUBLE PLAY with their POWERBALL purchase, and participate in the new Monday drawings, those tickets earned double entries for the promotional drawing and accounted for 55% of the overall tickets entered.

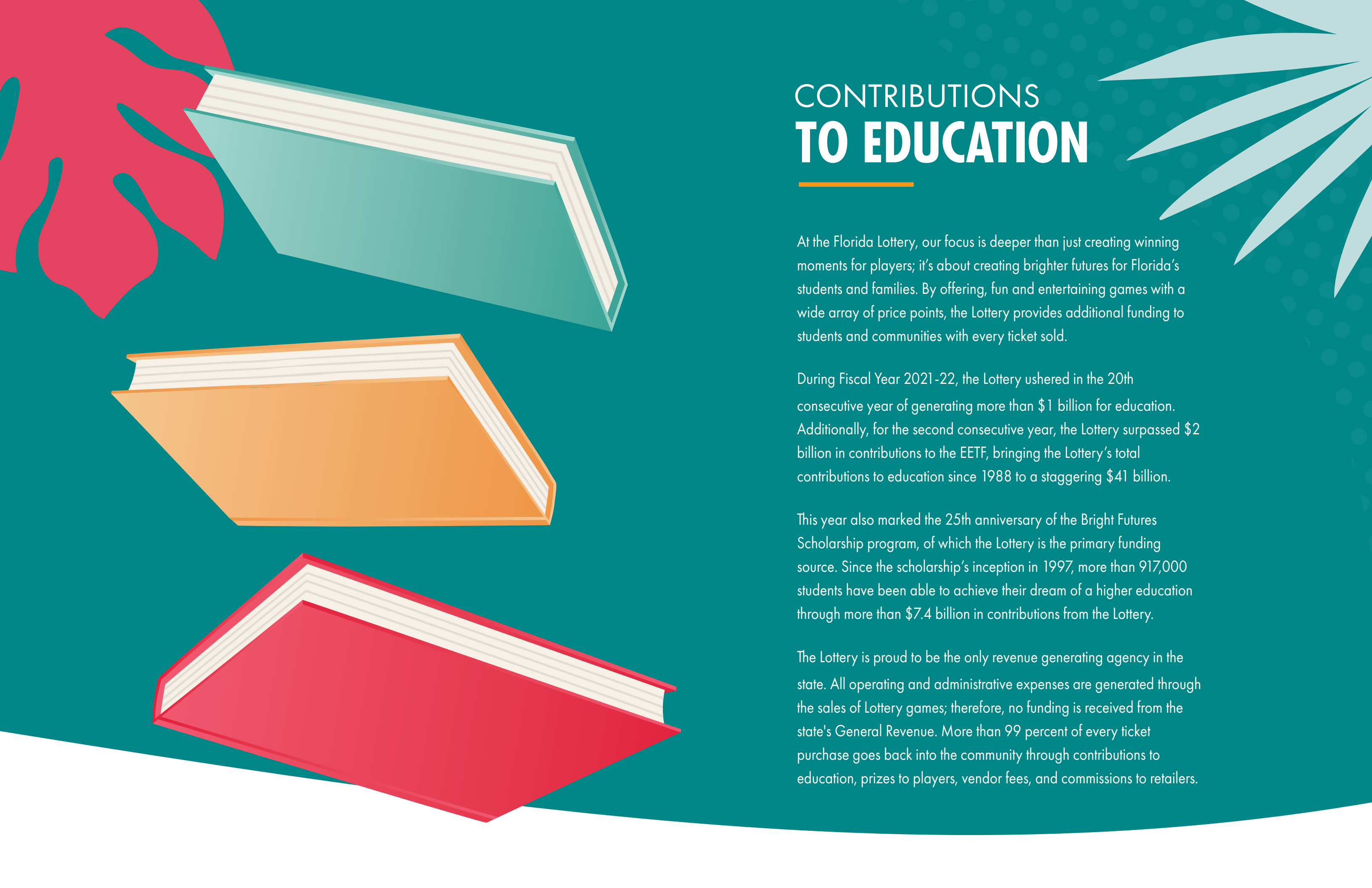
The limited-time BONUS PLAY GETAWAY holiday promotion awarded more than 500 prizes, including 50 VIP trips to Hawaii, 222 Royal Caribbean Cruise certificates, and hundreds of \$500 Stubhub gift cards. Over 70,000 players entered more than 3 million FANTASY 5®, GOLD RUSH LIMITED, and HOLIDAY WINNINGS Scratch-Off tickets, generating more than \$1 billion in sales during the 61-day promotional period.

The DAILY BONUS PLAY® Promotion, which launched on January 5, featured all of the Lottery's daily Draw games, including the PICK Daily Games™, FANTASY 5, CASH4LIFE®, and CASH POP. The promotion featured cash prizes of \$1,000 to \$25,000; players could also be selected to instantly win \$25 or free CASH POP ticket coupons. In just 55 days, more than 7 million tickets were entered and sales of those games generated approximately \$72.9 million in revenue for education.

To counter the seasonal sales slowdown during the summer months, the Lottery used strategic advertising messaging to drive players to retail locations during peak traffic periods and encouraged the play of JACKPOT TRIPLE PLAY™ with Combo. On weekdays in June from 5:00 to 7:00 p.m., players who added Combo to their JACKPOT TRIPLE PLAY purchases had the chance to win \$10 instantly. The promotion, coupled with high jackpots during the promotion, led to sales topping \$4.7 million for the month, a 21.3% increase over the previous year; Combo sales, specifically, saw an increase of 16.8%.

The Lottery takes pride in providing the public with fun and exciting product and promotional offerings that offer variety and expand the winning opportunities available for players, all with the added benefit of generating additional funds to support education in Florida. This effort is reflected in the billions of dollars in prizes won and funding generated for Florida's students and schools and the Lottery's steadfast commitment to ensuring its future success.





CONTRIBUTIONS TO EDUCATION

At the Florida Lottery, our focus is deeper than just creating winning moments for players; it's about creating brighter futures for Florida's students and families. By offering, fun and entertaining games with a wide array of price points, the Lottery provides additional funding to students and communities with every ticket sold.

During Fiscal Year 2021-22, the Lottery ushered in the 20th consecutive year of generating more than \$1 billion for education. Additionally, for the second consecutive year, the Lottery surpassed \$2 billion in contributions to the EETF, bringing the Lottery's total contributions to education since 1988 to a staggering \$41 billion.

This year also marked the 25th anniversary of the Bright Futures Scholarship program, of which the Lottery is the primary funding source. Since the scholarship's inception in 1997, more than 917,000 students have been able to achieve their dream of a higher education through more than \$7.4 billion in contributions from the Lottery.

The Lottery is proud to be the only revenue generating agency in the state. All operating and administrative expenses are generated through the sales of Lottery games; therefore, no funding is received from the state's General Revenue. More than 99 percent of every ticket purchase goes back into the community through contributions to education, prizes to players, vendor fees, and commissions to retailers.

EDUCATION PARTNERSHIP HIGHLIGHTS



In Fiscal Year 2021-22, the Florida Lottery partnered with a wide range of diverse organizations across the state to develop opportunities that share the Lottery's commitment to education, while generating awareness of the Bright Futures Scholarship Program.

Using digital, social, virtual, and traditional assets to amplify our education message, the Lottery engaged and encouraged students, parents, guardians, and educators to become more knowledgeable about the first steps in the process towards earning a Bright Futures Scholarship, regardless of their race, ethnicity, religion, or socio-economic background. With a total budget of \$1.74 million, the Lottery developed 59 community partnerships and 17 university partnerships and fulfilled 60 merchandise donations.



The Lottery was proud to be an education partner with the **Florida Citrus Sports Community Education Initiative**, which positively impacted the West Lakes neighborhoods of Orlando, surrounding the Camping World Stadium. As part of this partnership, Secretary Davis spoke with students at Jones High School to inspire them on their pathway to higher education.

In collaboration with the Orange Bowl Committee, the Lottery provided opportunities for South Florida middle school students to learn leadership skills from Florida business and community leaders, empowering students to reach their full potential.

In April, the Lottery partnered with the Florida College System to recognize the top-performing college students from Florida's 28 State and Community Colleges during the All Florida Academic Team Awards. In conjunction with the Phi Theta Kappa National Honorary Fraternity, Secretary Davis recognized these students for their academic achievements.

In May, the Lottery joined other education leaders and like-minded business professionals to make education beyond high school accessible to all during the Florida College Access Network's Talent Strong Summit. Focus was also placed on the conditions that create a resilient workforce and spark economic mobility across Florida.

In June, the Lottery partnered with the Florida Future Farmers of America where nearly 5,000 students, parents, and educators attended this program focused on agricultural education, agri-business, and career opportunities.

In Pensacola, the Lottery forged a partnership with Parent University, which provided parents with information and tools to better prepare their children for post-secondary education. Training included grade requirements, standardized testing, grant, scholarship and loan options, volunteer requirements, and Free Application for Federal Student Aid (FAFSA) prep.

WINNERS

The Florida Lottery is proud to share in the excitement as players realize they have won hundreds, thousands, or even millions of dollars playing our games. This year, the Lottery celebrated life-changing moments with 275 new millionaires, including retired school teachers, military veterans, and even the owner of a pregnant dog named Ivy!

Since 1988, Florida Lottery games have paid more than \$82.4 billion in prizes and made more approximately 3,500 people millionaires.

Draw games paid more than \$1.2 billion in prizes this year, creating more than 44,800 winners of prizes \$600 or more – including six millionaires! Additionally, Scratch-Off games paid more than \$5.1 billion in prizes this year, creating 269 millionaires and more than 178,000 winners of prizes of \$600 or more.

LEONARD LINTON

Leonard Linton, of Pinetta, won a \$2 million top prize playing the 100X THE CASH Scratch-Off game. He credits his win to his tiny, pregnant dachshund named Ivy. Linton received a call that Ivy was not feeling well. To get to her as quickly as possible, Linton took a different route home, stopping at Stop N Shop located at 540 East Howard Street in Live Oak. When asked if he had any big plans, Linton responded, "I still can't believe it. This is life-changing, but I'm definitely getting Ivy a new kennel!"



JAMES MUSSELWHITE

Marine Corps veteran, James Musselwhite, of Sarasota, took home a \$1 million prize from the \$5,000,000 LUCK Scratch-Off game. Musselwhite shared that he had already traveled the world while serving in the United States Marine Corps, "I guess the only thing I really want now is a new golf cart."



NELLIE LUMPKIN

Nellie Lumpkin, of St. Petersburg, claimed a \$1 million top prize from the FASTEST ROAD TO \$1,000,000 Scratch-Off game. "When I realized I won, I immediately told my family and we made plans to go to Tallahassee the next day. I was so excited about claiming \$1 million that I couldn't fall asleep!"



FRANK O'DELL

Frank O'Dell, of Hernando, won \$1,000 a week for life. "I've never been very lucky, but I think it's safe to say that my luck has finally changed and now I'm set for life!"



VINCENT PUGLIESE

Vincent Pugliese, of Plantation, won \$1 million playing the GOLD RUSH LIMITED Scratch-Off game. He told the Lottery he plans to use his winnings to invest in real estate, but first, he said, "Today, we're going fishing!"

ORGANIZATIONAL OVERVIEW

As required by section 24.105(18), Florida Statutes, the following information reflects the organizational structure of the Florida Lottery as of June 30, 2022.

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 operations 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 and Partnerships promotes awareness and understanding of the state's use of Lottery money to provide enhancements to education in Florida.

Communications 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 social media efforts.

Partnership & Engagement 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 statewide.

Administration assists the Chief of Staff by managing Support Services, Procurement Management, and Human Resources.

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, including statewide leases.

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 employee relations, career development, recruitment, performance management, payroll, benefits, classification and pay, attendance and leave, workers' compensation, and policy administration.

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 section 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.

Security provides security services for the Lottery, including protection of buildings and facilities, investigative activities, and game draws. In addition, the 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 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.

Office of the 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.

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.

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. Contracting is also responsible for collection efforts by tracking retailer payment delinquencies and coordinating financial reviews of retailers, as necessary.

Marketing oversees all areas relating to the promotion and sale of Lottery products, 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.

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 the 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 2021-22. TO VIEW THE FULL REPORT IN ITS ENTIRETY, [CLICK HERE](#).

Condensed Statements of Net Position for fiscal years 2022, 2021, and 2020 (in thousands).

	2022	2021	2020
Current Assets	\$ 293,373	\$ 423,888	\$ 437,511
Restricted Assets	368,161	383,675	382,416
Capital Assets, Net of Depreciation	3,897	7,564	7,273
Total Assets	665,431	815,127	827,200
Total Deferred Outflows of Resources	12,799	14,583	15,341
Current Liabilities	313,459	434,036	427,193
Current Liabilities Payable from Restricted Assets	22,390	22,273	22,095
Noncurrent Liabilities	280,827	305,069	295,127
Total Liabilities	616,676	761,378	744,415
Total Deferred Inflows of Resources	29,033	17,018	9,483
Net Position:			
Invested in Capital Assets	3,897	7,564	7,273
Restricted Net Position	91,978	105,007	139,270
Unrestricted Net Position	(63,354)	(61,257)	(57,900)
Total Net Position	\$ 32,521	\$ 51,314	\$ 88,643

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.

