

2009-2010



FLORIDA LOTTERY

Annual Report



FLORIDA LOTTO with XTRA

CASH 3

FLORIDA POWERBALL POWERPLAY

Play 4

SCRATCH OFFS

MEGA MONEY

FANTASY 5



TABLE OF CONTENTS



Message from the Governor	2
Message from the Secretary	3
Contributions to Education	4
Games and Promotions	8
Business Partnerships	13
Organizational Structure	16
Financial Data	17

At the time of publication, the audit of the department's financial statements was not complete. The figures in this report represent unaudited data.



MESSAGE FROM GOVERNOR CHARLIE CRIST

Dear Friends:

I am proud to share that for the eighth consecutive year, the Florida Lottery, under the leadership of Secretary Leo DiBenigno, has once again contributed more than \$1 billion to Florida's students and schools. During fiscal year 2009-2010, the Lottery generated more than \$1.247 billion in transfers to the Educational Enhancement Trust Fund. Over the past 22 years, the Florida Lottery has contributed more than \$21 billion to education throughout Florida, placing it among the top lotteries in beneficiary contributions nationwide.

A record number of Florida students, 177,612, received a Bright Futures scholarship in 2009-2010. Since the program began in 1997, more than 500,000 students have enrolled in college on a Bright Futures scholarship. More than \$59.9 billion has been generated in Lottery ticket sales and players have won more than \$32.3 billion in prizes since the Lottery opened its doors in 1988. In addition, retailers throughout the state have benefited from more than \$3.3 billion in commissions, cashing bonuses and incentives.

The Florida Lottery's success story is not just in its numbers, but in the statewide impact of its proceeds. The impact on Florida families whose children received a scholarship, whose businesses were positively affected, or whose livelihoods were enriched is tremendous. As an industry leader, the Florida lottery has proven itself to be a dependable resource in the effort to provide a brighter future for all Floridians.

Sincerely,

A handwritten signature in black ink that reads "Charlie Crist". The signature is stylized and cursive.

Charlie Crist
Governor



MESSAGE FROM SECRETARY DiBENIGNO

Dear Friends:

I am pleased to convey that the Florida Lottery has celebrated another successful year. Our sales for fiscal year 2009-10 totaled \$3.9 billion, resulting in more than \$1.247 billion to public education. In March of 2010, the Lottery surpassed the \$21 billion mark in total contributions to the Educational Enhancement Trust Fund.

So what does that money provide? Lottery dollars are used by our K-12 grade schools to obtain educational supplies, finance art and music programs and supplement teacher salaries. Funds are also used for new construction, renovation, remodeling, major repairs, and maintenance of educational facilities. Finally, colleges and universities are also recipients of Lottery support, and more than 500,000 high school students have attended college thanks to the Lottery's funding of the Bright Futures Scholarship Program.

Our success is directly tied to agency efforts to create new and innovative Lottery products designed to drive sales and increase contributions to education. The addition of a new feature, XTRA®, to our flagship game FLORIDA LOTTO™, and the launch of the popular THE PRICE IS RIGHT® Scratch-Off game were big winners with our players this year. In addition, the installation of 1,000 new instant ticket vending machines at Lottery retailers throughout the state continues to boost sales. These efforts, like all the ones before them, are reflected in the more than \$32 billion that has been awarded to Lottery winners since the Lottery began selling tickets through the end of the 2009-2010 fiscal year.

This report tells the financial story of how the Florida Lottery achieved success over the past year, and how the agency is essential to the operations and academic accomplishments of our state's education system. It also details the Lottery's significant contributions to the Florida economy. For example, more than 13,000 Lottery retailers received more than \$214 million in bonuses and commissions. Most of these retailers are small businesses that value their Lottery relationship and understand their role in helping to support our economy and education in the state.

Improving education for future generations is at the heart of what we do! As we look to the next fiscal year, the Florida Lottery remains committed to our mission of generating funds for public education through integrity and responsible business practices. I hope you will use this report and discover the many ways the Florida Lottery is meeting challenges and providing for the educational needs of young people throughout Florida.

Sincerely,

Leo DiBenigno
Secretary

CONTRIBUTIONS TO EDUCATION

Florida voters, by a two-to-one margin, approved a constitutional amendment in 1986 authorizing the state to operate a lottery for the purpose of generating significant additional moneys for education. The following year, the Florida Lottery was established as a state agency with the enactment of the Florida Public Education Lottery Act. In January of 1988, the Lottery opened its doors to its customers with the sale of the first Lottery game, MILLIONAIRE. Since then, player support has continued; and, for the past five years, Floridians have purchased nearly \$4 billion in Lottery products annually with profits from every purchase benefiting education.

During fiscal year 2009-10, the Florida Lottery surpassed \$21 billion to education, with \$1.247 billion transferred to the Educational Enhancement Trust Fund (EETF). This marks the eighth consecutive year the agency has surpassed the billion-dollar mark in contributions to education. From a student's first day of school, to their high school and college graduation, the Florida Lottery continues to provide funding to all of Florida's 67 school districts.

Educational Enhancement Trust Fund Lottery Transfers



March 19, 2010 - The Florida Lottery transfers \$95 million to the Educational Enhancement Trust Fund, bringing the Lottery's total contributions to education to \$21 billion.



CONTRIBUTIONS TO EDUCATION

EDUCATIONAL ENHANCEMENT TRUST FUND APPROPRIATIONS

In 2009-10, more than \$1.41 billion in EETF funding was appropriated by the Florida Legislature to public schools, community colleges, state universities, and state student financial aid. The Lottery-funded Bright Futures Scholarship Program reached another milestone by providing more than 53,000 new students with financial aid to pursue a post-secondary education.

2009-10 Appropriations*



Appropriations Since Inception

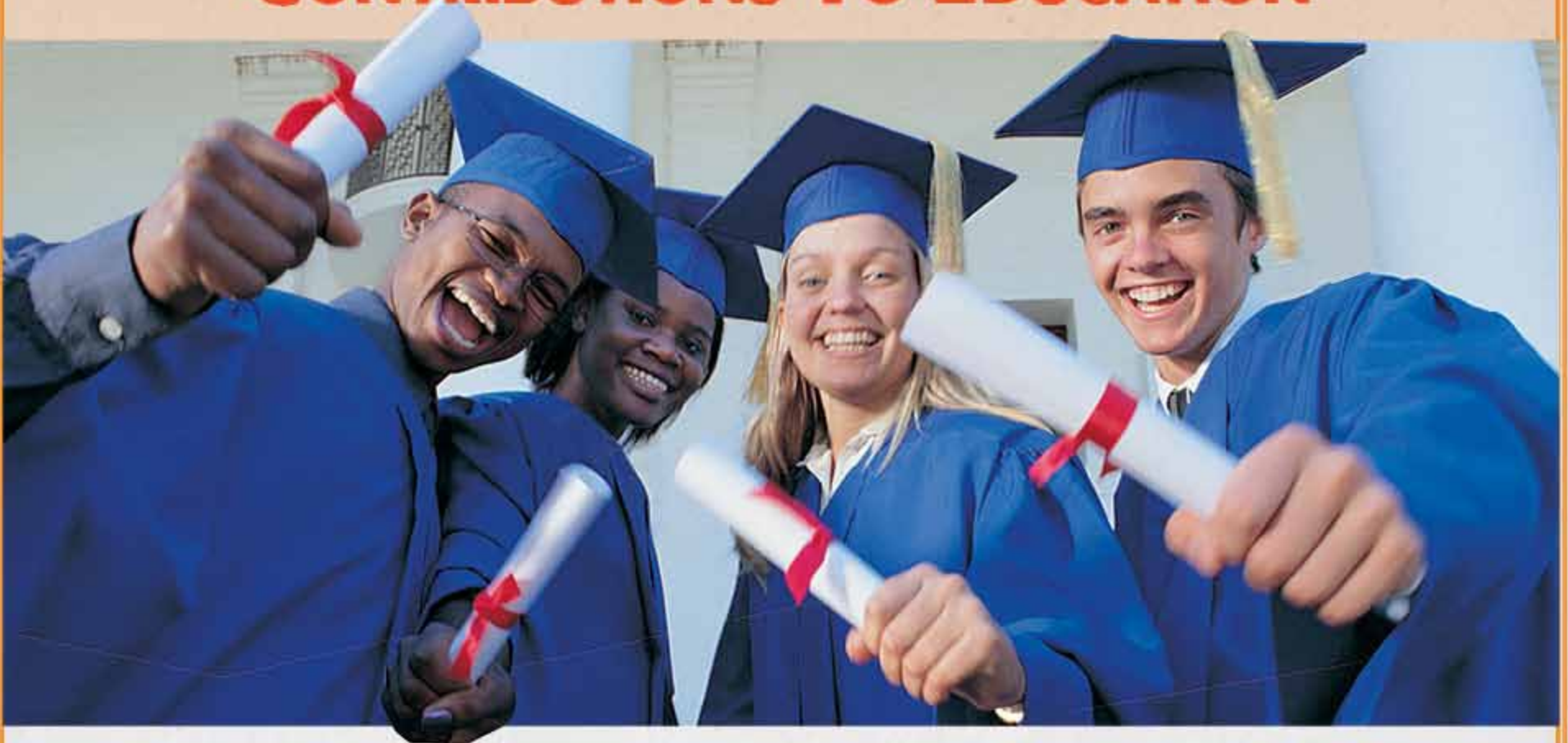


- Public Schools
- Community Colleges
- State Universities
- Bright Futures Scholarships
- School Construction Bonds
- Other State Student Financial Aid



The Florida Legislature's appropriations of monies from the Educational Enhancement Trust Fund (EETF) are based on the Revenue Estimating Conference's projections for the year. Revenue sources since FY 2007-08 for the EETF include net proceeds from Lottery games (approximately 90%) and slot machine revenue tax (approximately 10%). Prior to the addition of slot machine revenues, the Lottery was the only source of revenue for the EETF. EETF funds are appropriated by the Florida Legislature and administered by the Florida Department of Education.

CONTRIBUTIONS TO EDUCATION



BRIGHT FUTURES SCHOLARSHIP PROGRAM

When the Florida Bright Futures Scholarship Program was created in 1997 by the Florida Legislature, funding the first year's 23,000 students was considered a huge milestone. Thirteen years later, more than 500,000 students, representing \$3.2 billion, have received Bright Futures scholarships, opening the door for a new generation to earn a college education.

During the 2009-10 school year, more than 177,000 Florida students were awarded a Bright Futures scholarship; that's nearly 1 in 3 high school graduates who went on to enroll in 201 of Florida's private and public colleges, universities and vocational schools.

More than 500,000 students have received a Lottery-funded Bright Futures scholarship.



GAMES & PROMOTIONS



The success of the ITVMs, along with the Lottery's overall game strategy, resulted in more than \$3.8 billion in sales.

Much like the state's population, the Florida Lottery has a very diverse player base. Therefore, the Lottery's success is dependent upon offering a strong product mix that will maximize revenue for education by appealing to various tastes. To be successful, Florida Lottery games are continually monitored and evaluated to determine whether they are suitable to our customers' interests.

In fiscal year 2009-10, in addition to its six core On-line games (POWERBALL®, FLORIDA LOTTO™, MEGA MONEY™, FANTASY 5®, PLAY 4™ and CASH 3™), the Lottery launched 40 Scratch-Off games that varied in theme, price, play style and prize structure, and re-introduced Instant Ticket Vending Machines (ITVMs) providing added convenience to customers who purchase Scratch-Off tickets.

The success of the ITVMs, along with the Lottery's overall game strategy, resulted in more than \$3.8 billion in sales and more than \$2.3 billion in prizes to winners throughout the state!

Additionally, the Lottery offered players limited-time promotional games and second chance promotions. Game success during fiscal year 2009-10 can be attributed to the Lottery's focus on offering added entertainment value to each lottery purchase, unique experiential prizes and large jackpot prizes.

GAMES & PROMOTIONS



FLORIDA LOTTO™ WITH XTRA®

The Florida Lottery began selling FLORIDA LOTTO™ with XTRA® tickets on October 11, 2009, giving players the option to add “XTRA” to their ticket for \$1 more per play for the chance to multiply their non-jackpot winnings by two, three, four or five times. FLORIDA LOTTO players embraced this opportunity to win more, and as a result more than 3.8 million XTRA winners shared more than \$14 million in prizes during fiscal year 2009-10.



POWERBALL®

On October 15, 2009, the Florida Lottery held a press conference to announce that Florida’s first POWERBALL® jackpot winner had claimed the \$189 million jackpot from the drawing held on October 3. William A. Steele, M.D., 56, of Orlando, chose to receive a one-time, lump-sum payment for the winnings in the amount of \$101,160,403.68, making this the largest jackpot claimed by any individual Florida winner in the history of the Florida Lottery.

GAMES & PROMOTIONS

GOLD RUSH

The Florida Lottery reintroduced the most popular \$20 Scratch-Off game in Lottery history, GOLD RUSH, on July 14, 2009. To generate additional excitement about the return of GOLD RUSH, the Lottery offered unique second chance prizes that encompassed the spirit of the game. Players who entered their non-winning ticket in the Strike It Rich second chance drawings had a chance to win one of three gold bars with an estimated value of \$30,000 or one of 60 American eagle gold coins with an estimated value of \$1,000.

INSTANT TICKET VENDING MACHINES (ITVM's)

During the fall of 2009, the Lottery rolled out 1,000 Instant Ticket Vending Machines (ITVMs) statewide. The ITVMs were installed at current Florida Lottery retailers with a track record of high-volume lottery ticket sales, primarily in supermarket chains and approximately 45 independent retailers throughout the state. The ITVMs were strategically placed in the line-of-sight of retailers or clerks within each retail location, most of them near customer service counters. In less than a year, more than \$138 million in Scratch-Off tickets were sold through ITVMs.

\$250,000 BASS PRO SHOPS® OUTDOOR ADVENTURE

Florida is known as one of the top fishing destinations in the world, and with six Bass Pro Shops® stores throughout the state, it was a natural fit for the Florida Lottery to partner with Bass Pro Shops to offer a Scratch-Off game catering to Florida's outdoor enthusiasts. The Lottery launched \$250,000 BASS PRO SHOPS® OUTDOOR ADVENTURE, a \$5 Scratch-Off game, on February 9. The game featured not only cash prizes, but also Bass Pro Shops gift cards and a second chance promotion where players could win outdoor adventure trips including sports fishing in Key West, white water rafting in Colorado and angling in Alaska.

LOTERIA®

The Lottery launched LOTERIA®, a \$2 Scratch-Off game on February 9. The Scratch-Off ticket pays homage to early lottery games played in several Spanish-speaking countries. LOTERIA appealed to players around the state because of the play style and simplicity of the game. The game generated more than \$1 million in its first week of sales; and, by the end of the month, LOTERIA had generated close to \$5 million in sales – ranking first among all \$2 Scratch-Off games launched in the past five years.

THE PRICE IS RIGHT®

The Lottery invited players to “Come on down” and try THE PRICE IS RIGHT® Scratch-Off game that launched on June 8 and offered more than \$26 million in prizes, including five top prizes of \$250,000. In its first week of sales, THE PRICE IS RIGHT Scratch-Off game set a sales record for \$5 Florida Lottery Scratch-Off games. The game exceeded \$3.13 million in sales in just six days. Along with the fun of playing the game, the Lottery's Web site offered players with non-winning tickets a second chance promotion where 24 grand prize winners would receive a three-night trip for two to Las Vegas, \$5,000 spending cash and a chance to participate in an exclusive Florida Lottery edition of the Price is Right Live! Stage Show. Additionally, 90 second prize winners were awarded a Nintendo Wii™ game console along with The Price is Right Wii game.



GAMES & PROMOTIONS



HOLIDAY MILLIONAIRE RAFFLE™

A seasonal favorite among Florida Lottery players, this year's *Holiday MILLIONAIRE RAFFLE™* offered nine \$1 million prizes and more than 2,000 prizes ranging from \$250 to \$50,000. The drawing, held on December 31, awarded 2,034 winners cash prizes totaling more than \$10 million. The game generated approximately \$7.5 million for the Educational Enhancement Trust Fund.



FIRECRACKER MILLIONAIRE RAFFLE™

Dubbed the 'hottest' ticket of the summer, the Lottery's *Firecracker MILLIONAIRE RAFFLE™* game proved to be just that. All 750,000 tickets sold out prior to the July 4th drawing, when seven prizes of \$1 million were awarded as well as 1,020 other cash prizes ranging from \$500 to \$50,000. The summer raffle offered players the best odds ever to win \$1 million and generated approximately \$5.5 million for the Educational Enhancement Trust Fund.



SECOND CHANCE DRAWINGS

The Lottery had lots of success this year with second chance promotions. Incorporating second chance opportunities into both Scratch-Off and On-line games allowed the Lottery another avenue to market the games and increase player interest and participation. During fiscal year 2009-10, a total of eight second chance promotions were held, which awarded players hundreds of prizes ranging from free groceries for a year to getaway vacations.

BUSINESS PARTNERS

The Florida Lottery's network of more than 13,000 retailers serve as the agency's primary contact with players statewide. For the past 22 years, the Lottery has successfully developed mutually beneficial relationships with retailers and other business partners by supporting their efforts with strong marketing, advertising and point-of-sale materials. With the help of these retailers and business partners, the Lottery successfully launched numerous games and promotions in fiscal year 2009-10 that helped generate \$1.247 billion for education in the state.

LOTTERY RETAILERS

The Florida Lottery continues to help retail partners increase revenue by providing a variety of marketing and merchandising programs, distributing a quarterly retailer newsletter with best practice tips, and offering opportunities to participate with the Lottery in special events in their communities. The Lottery's retailer network, which is primarily comprised of supermarket chains and convenience stores, serves a diverse player base. The Lottery works closely with these businesses to increase store traffic through a variety of promotions and by offering commissions and bonuses for selling tickets and redeeming prizes. During fiscal year 2009-10, Lottery retailers earned \$215 million in commissions and \$1.63 million in bonus incentives from the sale of Lottery tickets and the redemption of prizes. On average, retailers earned more than \$4.17 million per week, demonstrating why it pays to be a Florida Lottery retailer.

In an effort to recruit additional Florida Lottery retailers, the agency continues to partner with various business associations, chambers and other organizations, including minority businesses, to build awareness about the benefits of becoming a retailer. The Lottery Web site also plays a valuable role for recruiting prospective retailers. Businesses can find helpful guidelines for becoming a Lottery retailer, learn about potential earnings and incentives, and have access to general information about games and upcoming retailer seminar events.



With the help of retailers and other business partners, the Lottery successfully launched numerous games and promotions in fiscal year 2009-10 that helped generate \$1.247 billion for education in the state.

BUSINESS PARTNERS



OTHER BUSINESS PARTNERSHIPS

In addition to our mission of generating additional revenue for the Educational Enhancement Trust Fund, the Florida Lottery and its business partners are committed to supporting the state's diversity initiatives. In November 2009, the Lottery was honored for a second time as State Agency of the Year by the Florida Department of Management Services for increasing minority spending. GTECH Corporation, the Lottery's On-line game vendor, was also named Advocate of the Year for their leadership in making minority business participation a top priority. The Florida Lottery's Office of Procurement Management has been a state leader in ensuring that minority-owned businesses are afforded fair and equal opportunities to compete in the state's contracting process.

During fiscal year 2009-2010, the Florida Lottery focused on building a partnership with its new general market advertising agency, St. John & Partners. The Jacksonville-based advertising and public relations agency was selected to be the Lottery's new advertising partner after completion of the procurement process that included written and creative presentations. The primary goal for the advertising agency is to increase sales and maximize participation among Lottery players statewide, ultimately increasing the Lottery's contributions to education in Florida.

Providing financial support for education is the Lottery's core mission. Our retailers play an integral role in helping maximize revenues by working to expand playership and increase per capita spending. Retailer knowledge of their customer base, catering to player interests, and actively promoting new games are invaluable factors in the Lottery's overall retail success.

ORGANIZATIONAL STRUCTURE

As required by subsection 24.105(4), Florida Statutes, the following information reflects the organizational structure of the Florida Lottery on June 30, 2010.

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

The Office of the Chief of Staff assists the Secretary in providing overall organization, direction and coordination, both in day-to-day activities and in long-range-planning, as well as providing strategic leadership assistance to the Secretary relative to human resources, management of fleet, facilities, and inventory operations. The Office of Chief of Staff also assists the General Counsel with labor relations matters including collective bargaining agreements.

- **Legislative Affairs** is responsible for promoting and securing the passage of the Secretary's and the Governor's legislative objectives, including appropriation requests, to be considered by the Legislature.
- **Security** provides security services for the Lottery, including protection of employees and facilities, investigative activities, draw management, and background investigations. The Division of Security also 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 other 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 criminal investigations. This unit provides maintenance and hardware support for the Integrated Security System, conducts ticket testing on Scratch-Off games, forensic examinations of questioned documents, and manages

the Agency's loss prevention program, which aids retailers in reducing ticket theft. The unit also helps inform the general public of Lottery-related scams and other fraudulent activity.

- **Information Security Management** develops and coordinates the information security infrastructure and program to provide protection and ensure integrity for the department's computers, data and networks.
- **Human Resources** administers comprehensive services in the following program areas: employee recruitment and selection, position classification, organizational analysis, professional development, performance appraisal, payroll and benefits, attendance and leave, employee records, workers' compensation, unemployment compensation, service awards, and dual/secondary employment.
- **Support Services** provides day-to-day operational services, including facilities management, fleet management, property/inventory control, warehousing operations, records management and mail operations. Additionally, the unit oversees janitorial and other contracted services.

The Office of the Deputy Secretary assists the Secretary in the development and implementation of business strategies and 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 Educational Enhancement Trust Fund.

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

ORGANIZATIONAL STRUCTURE

- **Product Development** provides direction and oversight in the creation, design, development and management of both On-line and Scratch-Off Lottery products.
- **Business Development** works to expand the channels or venues through which Lottery products are sold, and seeks new ways to generate sales and income from Lottery products and programs. This unit also oversees the retailer contracting and renewal process.
 - **Retailer Contracting** evaluates and approves retailer applications and enters into contracts with retailers that will best serve the public interest and provide adequate and convenient availability of Lottery products. The unit directly supports the Lottery's efforts in the recruitment and retention of retailers. Through its application and contract renewal process, this unit ensures the integrity, reputation and financial responsibility of all Lottery retailers.
 - **ADA Office** ensures that all policies and directives relating to the Americans with Disabilities Act (ADA), as they pertain to Lottery retailers, are implemented and upheld. Through geographically-located coordinators, this unit ensures compliance with the ADA for physical accessibility of all Lottery retail locations.

The Office of the Inspector General assists the Secretary with internal control systems necessary to ensure the fiscal accountability and integrity of the Lottery. The office is responsible for performing financial, compliance and performance audits of the Lottery, and preparing audit reports of said findings. The Office of the Inspector General also conducts investigations designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, and misconduct.

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

The Office of Finance and Budget assists the Secretary in providing effective leadership for the Lottery to grow responsibly in a profitable and sustainable manner. The division is responsible for the development and monitoring of the Agency'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.
 - **Vendor Disbursements** is responsible for making payments to vendors supplying goods and services to the Lottery.
- **Claims Processing** processes the prize payments of tickets submitted to Lottery headquarters and assists the district offices with the payment of tickets presented at those offices.
- **General Accounting** administers and oversees the accounting data systems, and coordinates duties of the Financial Reporting and Accounts Receivable and Cash Management units.
 - **Financial Reporting** prepares financial statements and reports the results of Lottery operations. This unit also oversees the reconciliation of all accounting data systems.
 - **Accounts Receivable and Cash Management** is responsible for coordinating all cash activities; this includes collecting funds from retailers, tracking delinquencies, coordinating financial reviews, covering required disbursements, coordinating all banking activities and managing all investments.
- **Procurement Management** oversees the purchasing and contract administration process and provides direction to enhance minority business participation in the Lottery's procurement and contracting processes.

ORGANIZATIONAL STRUCTURE

The Office of Operations provides strategic and automated solutions to fulfill the Lottery's business needs through the efficient and effective development and deployment of information technology resources, optimizing the sale of Lottery tickets and ultimately enhancing contributions to education.

- **Software and Data Services** automates and improves the Lottery's business processes by building information applications that enable and optimize the development of new products, payment to winners, electronic payment by retailers, retailer incentive programs and other mission-critical initiatives. This unit builds and maintains the Lottery's data warehouse and provides a variety of historic, current and predictive analysis reporting using Business Intelligence products. They are also responsible for the design, development and maintenance of the Lottery's intranet and internet websites.
- **Software Quality Assurance** is tasked with being the in-house experts on all facets of how the gaming systems operate; how the retailers and various work units interact with and use the gaming system functions, and with Lottery back-office systems that interface with the gaming systems. This unit is responsible for researching gaming system functional requirements and performing formal user acceptance testing on all gaming system hardware and software, Lottery back-office applications, and website changes prior to implementation.
- **Systems and Operations Services** comprises two departments: Systems, Networks and Client Services and Computer Systems Operations. These departments provide direction and management of the Lottery's technical infrastructure including enterprise-class servers, workstation and mobile computing devices, data networks, client services, and telecommunications systems and services. This unit also manages and maintains the Lottery's primary and backup data center operations.

- **Games Administration** is a diverse customer-centric unit, performing customer service related functions of both a technical and informative nature. External customer service is provided via the Retailer Hotline, available to all Lottery retailers and district offices. Sales are supported by ensuring retailers are selling Lottery products successfully and ensuring players can redeem their prizes quickly and accurately. This is accomplished via the successful and accurate management of gaming system draw activities, balancing sales, and making prizes payable for players. The unit also helps coordinate the Lottery's Scratch-Off games by placing books in promotional status, processing end-of-game reconciliation, and changing book status for retailers, sales representatives and our Scratch-Off vendor. Games Administration serves as the system coordinator and liaison to Lottery retailers.

The Office of Public Affairs assists the Secretary in the development and implementation of public relations strategies and provides direction, oversight and evaluation of daily business functions related to the Communications and Customer Service units. Public Affairs manages public awareness and player relations by providing current and historical information to players, retailers, news media and the general public.

- **Communications** coordinates all Lottery activities with the news media, including interviews, public records requests, news conferences, and the development and dissemination of press materials. Additionally, the unit oversees the Lottery's Web site, in both English and Spanish, and produces official Lottery publications. Communications also promotes awareness of the State's use of Lottery monies to provide enhancements to public education in Florida.
- **Customer Service** serves as the Lottery's direct liaison to players, responding to inquiries regarding games and various other facets of operations. This unit also manages customer correspondence and e-mail inquiries, and serves as a clearinghouse for Lottery records.

ORGANIZATIONAL STRUCTURE

The Office of Marketing assists the Secretary with all areas relating to the promotion and sale of Lottery products, including strategic alliance marketing, special events and promotions, graphics, advertising, Lottery nightly drawings, On-line game live drawings held at public venues throughout the state, and carrier station management. The division works directly with the advertising vendors to develop informative advertising campaigns that introduce customers (consumers, retailers and the general public) to Lottery programs, products and messages.

- **Strategic Alliance Marketing** drives the growth of the Lottery beyond its core business, and initiates and manages key promotional business and marketing initiatives. Responsibilities also include identifying, evaluating, negotiating and implementing new strategic alliances and corporate sponsorships.
- **Special Events and Promotions** works to increase awareness of Lottery products and contributions to education through special promotions, promotional merchandise, and participation in special events held in communities throughout Florida. Responsibilities also include retailer promotions and Lottery Show Van scheduling.
- **Graphics** provides overall art design and direction for the Lottery, including quality control of Scratch-Off ticket design, publications, promotional items and graphic presentations.

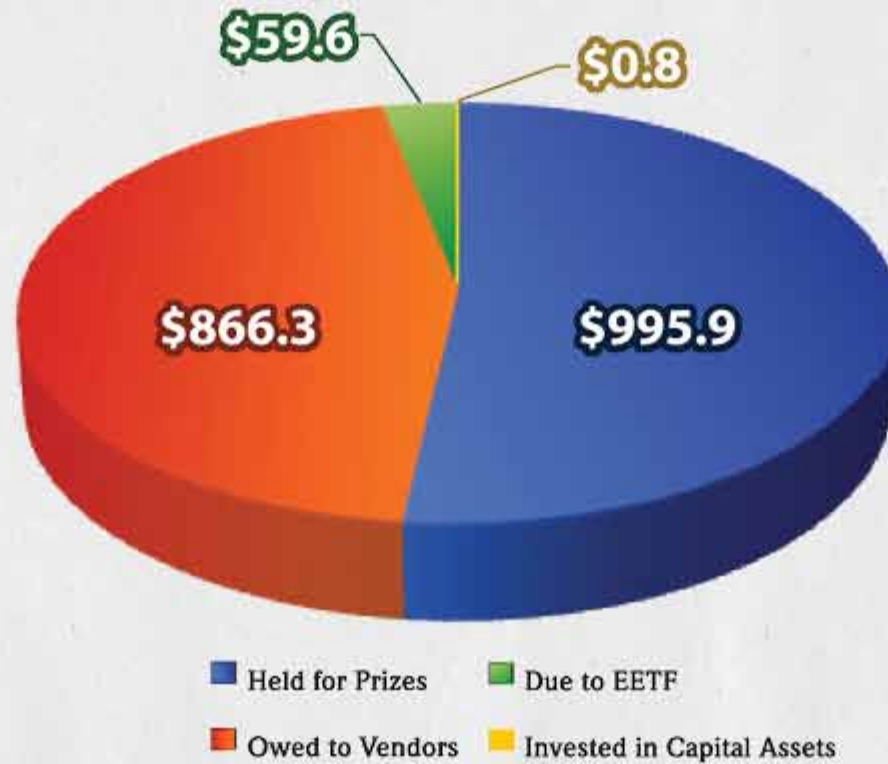
The Office of Statewide and Corporate Sales assists the Secretary by increasing Lottery sales statewide through the implementation of a strong sales and marketing plan. The division plans effective sales strategies and training in advance of all new product launches, in addition to overseeing the activities and disseminating policies and procedures to the nine statewide district offices.

- **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.
- **The Nine 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 district office employs a staff of sales representatives who assist in the promotion and sale of Lottery products at the retail level.



FINANCIAL DATA

LOTTERY ASSETS
AS OF JUNE 30, 2010 (IN MILLIONS)



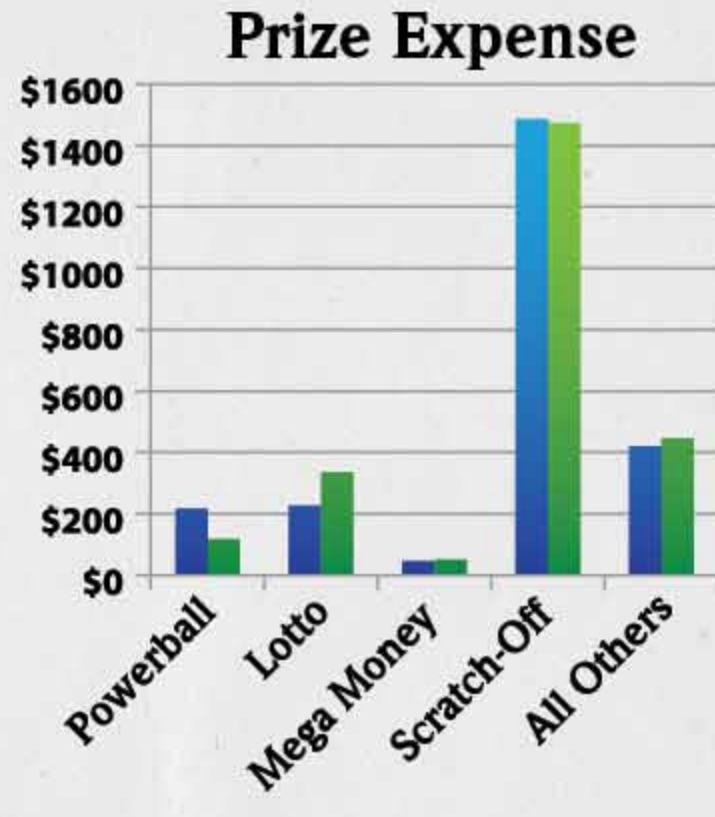
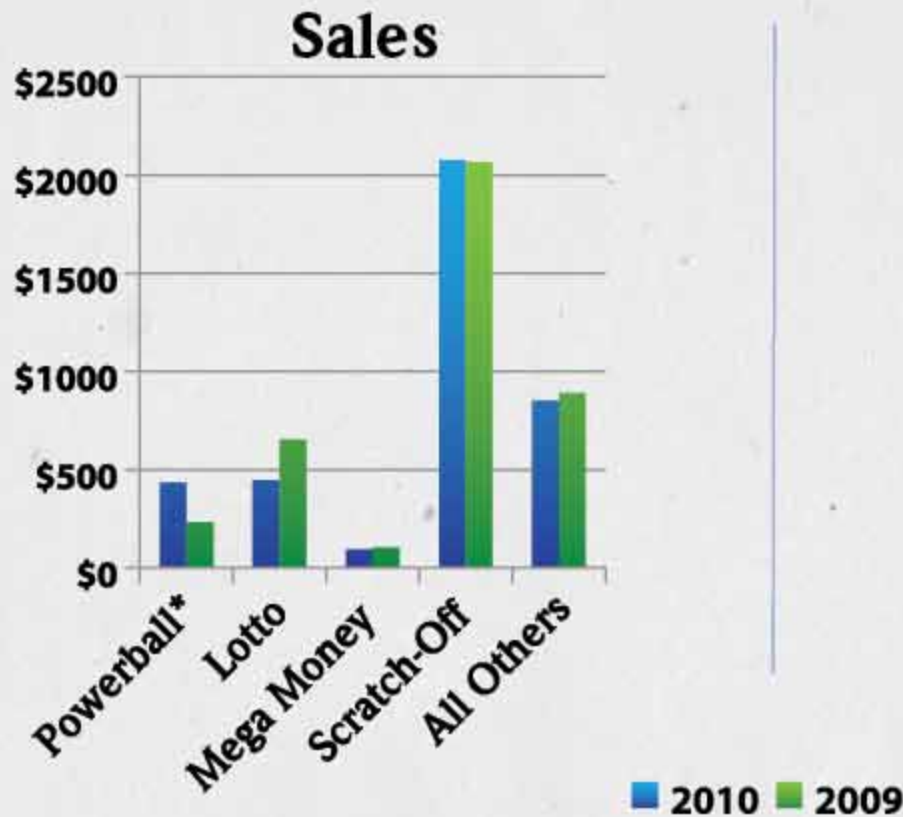
INCOME AND EXPENDITURES

FOR FISCAL YEARS 2010 AND 2009 (IN MILLIONS)

Income	2010	2009
Ticket Sales (Net of Bad Debt)	\$ 3,899	\$ 3,937
All Other Revenue	<u>15</u>	<u>23</u>
	\$ 3,914	\$ 3,960
Expenses		
Prizes	\$ 2,346	\$ 2,340
Retailer Compensation	216	221
Gaming Vendors	58	60
Department Operations	<u>72</u>	<u>71</u>
	\$ 2,692	\$ 2,692
Transfer to Educational Enhancement Trust Fund	\$ 1,247	\$ 1,288

PRODUCT INFORMATION

FOR FISCAL YEARS 2010 AND 2009 (IN MILLIONS)



*Powerball launched January 9, 2009

At the time of publication, the audit of the department's financial statements was not complete. Upon completion, the auditor's report, including the financial statements and all disclosures, will be available on the State of Florida Auditor General's Web site at <http://www.myflorida.com/audgen/pages/subjects/stagencies.htm>.