



FLORIDA LOTTERY®

ANNUAL REPORT
FISCAL YEAR 2016-17



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BUILDING A

Brighter Future

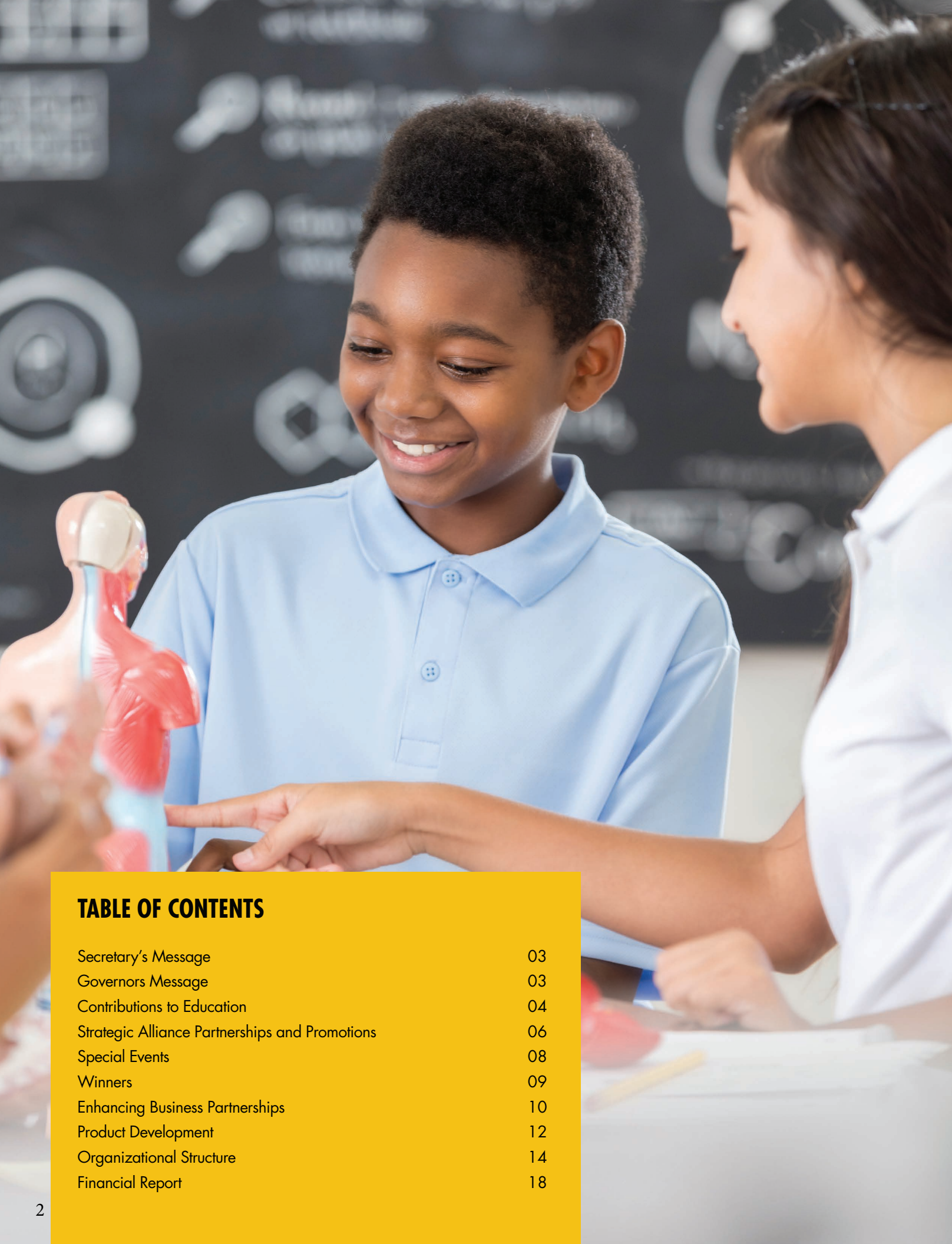


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MESSAGE FROM THE GOVERNOR



Dear Friends,

This year was once again full of success for the Florida Lottery and for students across our state. The Lottery contributed more than \$1.66 billion to education over the past fiscal year, and announced its sixth consecutive record-breaking year with an estimated \$6.2 billion in annual sales.

As we near the Lottery's 30th anniversary, Floridians should be proud to know that because of your work, the Lottery has provided more than \$32 billion to education since its inception in 1988. Over the past 29 years, the Lottery has impacted countless families and communities across our state, providing our children with a quality education to equip them with the skills needed to succeed in a meaningful career.

Congratulations to the Florida Lottery's dedicated staff on another year of exciting accomplishments. As we look ahead, I know the Lottery will remain a committed partner in supporting our students and I look forward to another year of historic investments in Florida's public education system.

Sincerely,
Governor Rick Scott

MESSAGE FROM THE SECRETARY



Dear Colleagues and Friends,

It is an honor to have been appointed by Governor Scott to serve as the eighth Secretary of the Florida Lottery. I can assure you that under my leadership, the Lottery will remain committed to improving opportunities for Florida's students by maximizing education contributions.

It has been an incredible year for the Lottery. We announced our sixth consecutive all-time record-breaking sales year with more than \$6.1 billion in annual sales. Additionally, we transferred approximately \$1.66 billion to education in Florida, marking the fifteenth consecutive year the Lottery has transferred more than \$1 billion to education. Our true success is measured by the impact we have on Florida's students and schools. In my tenure as Lottery Secretary, I have already had the opportunity to meet many of the countless families who have been impacted by the Bright Futures Scholarship Program and the Lottery's contributions to education.

With the continued support of our players, dedicated retailers and employees, and with the leadership of Governor Rick Scott and the Florida Legislature, the future looks bright for the Florida Lottery and Florida's students and schools.

Sincerely,
Jim Poppell
Secretary

CONTRIBUTIONS TO EDUCATION

Over the past 29 years, the Florida Lottery has remained committed to its mission of generating revenue for the benefit of our state's students and schools. Fiscal year 2016-17 marked another remarkable year for Florida families as the Lottery contributed approximately \$1.66 billion to the state's Educational Enhancement Trust Fund (EETF). This brought the total amount generated for education throughout the Lottery's history to more than \$31 billion. Additionally, fiscal year 2016-17 marked the fifteenth consecutive year the Lottery contributed more than \$1 billion to the state's EETF.

The Florida Lottery understands that a quality education is essential when it comes to building a career. If our state is to remain competitive on a national level, we must offer a highly skilled workforce of problem solvers, creative thinkers, entrepreneurs and leaders. The Lottery's impact flows from community to community in all of Florida's 67 counties, and at every level from K-12 to state colleges and universities.

2017 marks the 20th anniversary of the Bright Futures Scholarship Program, funded primarily by the Florida Lottery. The Bright Futures program has remained committed to assisting Florida's best and brightest as they pursue their academic goals at state colleges and universities. More than \$5 billion in Lottery funds has helped more than 750,000 students pursue their academic goals by attending one of Florida's outstanding colleges and universities.

From the Panhandle to the Keys, Florida's teachers are working hard to help their students build a foundation for a brighter future, and the Florida Lottery is proud to play a small part in that goal. Every time someone plays the Florida Lottery, it's a win for education. As we approach 30 years in business, we are proud of our commitment to education, and look forward to creating even more winning moments for Florida families.

Building the Foundation for a Brighter Future



STRATEGIC ALLIANCE PARTNERSHIPS AND PROMOTIONS

Over the course of fiscal year 2016-17, the Florida Lottery established many mutually-beneficial partnerships that helped acquire new customers, increase revenue, expand geographic reach and extend product lines. These partnerships help share how Lottery sales benefit Florida's students and schools statewide.

The Lottery kicked off college football season by partnering with Florida's five major universities in the FANTASY 5® Second Chance Promotion. Fans submitted over 1,080,000 entries for a chance to win a variety of exciting prizes including bowl trip experiences, cash and season tickets for their favorite college team. More than 275,000 hand fans featuring the Lottery's contributions to Bright Futures were distributed at ten college football stadiums across Florida. Lottery officials joined each college and university in an on-field check presentation to recognize the amount of Bright Futures funding received at each school to date.

The Lottery returned to The Villages to promote the new "I Love Lucy" Scratch-Off ticket with the help of Lucy herself! During this one-day event alone, the Lottery grossed \$81,794 in sales, transferring \$15,156 to the Educational Enhancement Trust Fund (EETF).

The Lottery visited The Villages in April with television personality Vanna White, who made a special appearance to promote the launch of the \$10 Wheel of Fortune Scratch-Off ticket. This event led to \$95,151 in sales, and \$17,631 in transfers to the EETF. Vanna returned to Florida in May for a special visit to Lottery Headquarters. She spent time with capital area educators and raised awareness of how Lottery sales benefit education.





SPECIAL EVENTS

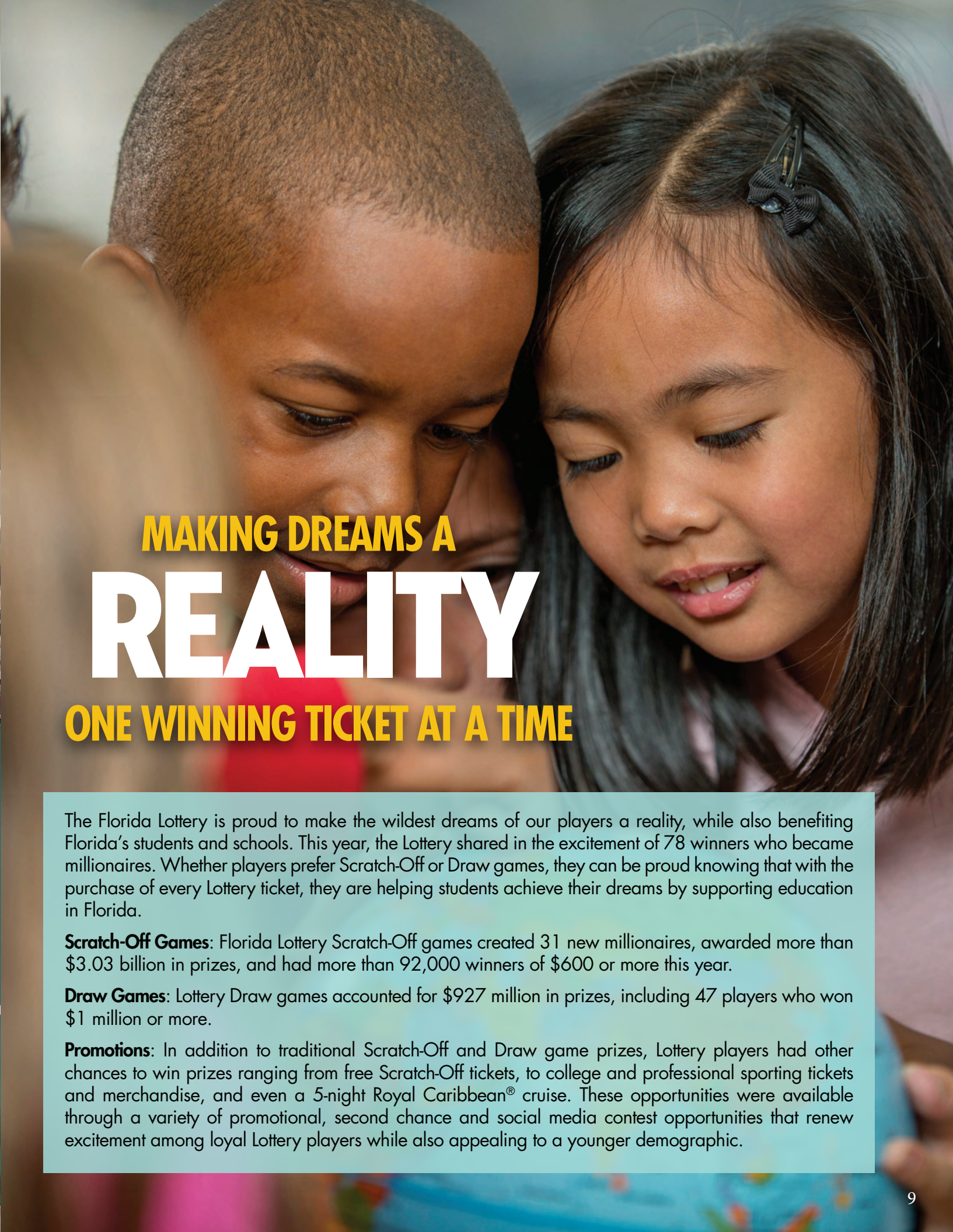
The Lottery participated in 93 community events across Florida with the goal of increasing public awareness of the agency's education mission while highlighting new games and promotions.

The Lottery is proud to partner with the Florida Department of Education and Just Read, Florida! on various education events. The Teacher of the Year Awards Ceremony is a wonderful way to highlight this partnership. Making it even more special, 22 county Teacher of the Year recipients also received a Bright Futures Scholarship thanks to the Lottery.

In January, the Lottery always looks forward to participating in Celebrate Literacy Week. This year, the Lottery joined First Lady Ann Scott as she encouraged Florida's students to develop a love of reading at a Kick-Off Pep Rally in Fort Lauderdale and the PSA Contest Winners Announcement in Tallahassee. The Lottery continued its sponsorship of the "POP-UP Quiz Show," in which students played the role of contestants testing their civics knowledge on a quiz show. Each of the 22 middle schools that participated received a collection of donated books.

To highlight the 20th year of the Florida Bright Futures Scholarship Program, the Lottery partnered with Sunfest, one of Florida's largest music and art festivals. Sunfest identified Courtney Einhorn, a local artist and Bright Futures graduate, to paint her interpretation of how her Bright Futures Scholarship impacted her future. Her piece, entitled "Smooth Sailing," was painted live at the festival.

The Lottery also partnered with the Florida State Fair to create a gallery space for high school seniors from across the state to display their art portfolio submissions. The State Fair and the Lottery surprised these students in their art classes with a prize patrol sharing the Lottery's funding of the Bright Future Scholarship program.



MAKING DREAMS A REALITY ONE WINNING TICKET AT A TIME

The Florida Lottery is proud to make the wildest dreams of our players a reality, while also benefiting Florida's students and schools. This year, the Lottery shared in the excitement of 78 winners who became millionaires. Whether players prefer Scratch-Off or Draw games, they can be proud knowing that with the purchase of every Lottery ticket, they are helping students achieve their dreams by supporting education in Florida.

Scratch-Off Games: Florida Lottery Scratch-Off games created 31 new millionaires, awarded more than \$3.03 billion in prizes, and had more than 92,000 winners of \$600 or more this year.

Draw Games: Lottery Draw games accounted for \$927 million in prizes, including 47 players who won \$1 million or more.

Promotions: In addition to traditional Scratch-Off and Draw game prizes, Lottery players had other chances to win prizes ranging from free Scratch-Off tickets, to college and professional sporting tickets and merchandise, and even a 5-night Royal Caribbean® cruise. These opportunities were available through a variety of promotional, second chance and social media contest opportunities that renew excitement among loyal Lottery players while also appealing to a younger demographic.

ENHANCING BUSINESS PARTNERSHIPS: WORKING TOGETHER FOR EDUCATION



Working with our corporate and retail partners, the Florida Lottery has once again broken a new record in Lottery ticket sales and further increased contributions to education in Florida. The agency's fiscal year sales of \$6.16 billion surpassed the previous year's sales by more than \$94 million. Due to the record Powerball® jackpot in early 2016, Draw sales saw a decrease of \$195 million from the previous year. However, the substantial increase of \$289 million in Scratch-Off sales resulted in a best-ever sales year. This increase in sales directly resulted in higher contributions to the Educational Enhancement Trust Fund (EETF), with a net total of \$1.66 billion in contributions for the fiscal year.

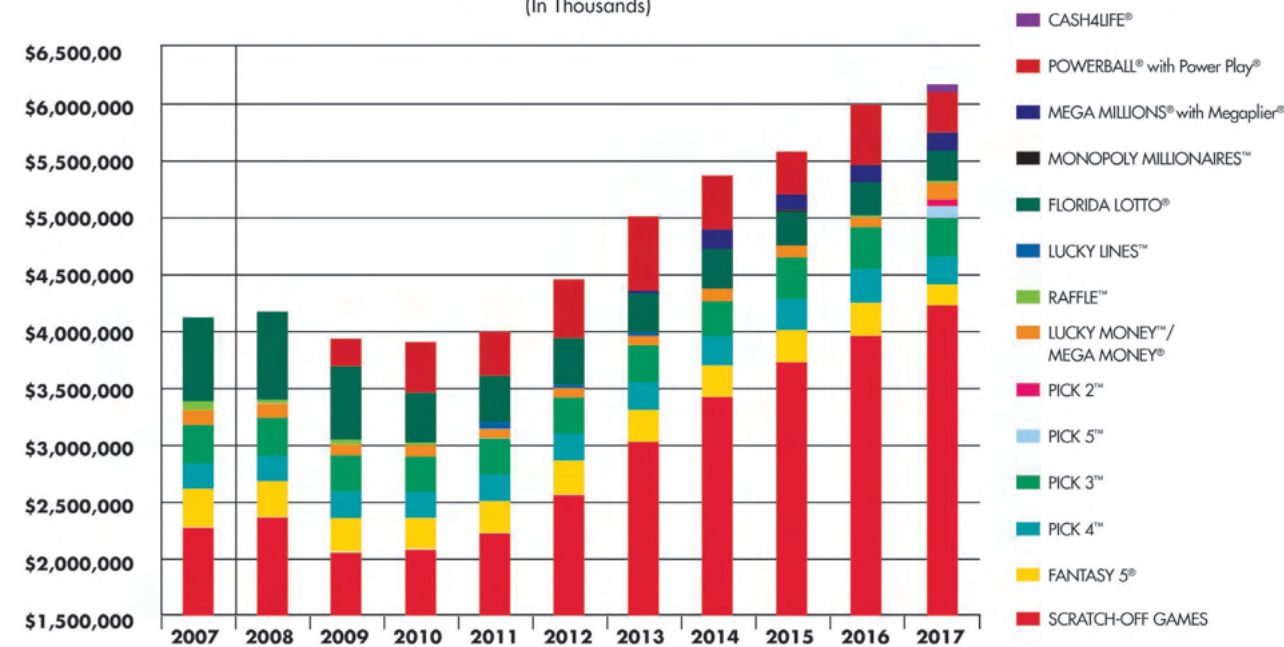
were also able to keep games fully stocked, and keep players satisfied while increasing the Lottery's foot traffic in their stores.

The Lottery continued use of LED jackpot signs and other attractive, eye-catching materials to contribute to our success. These promotional tools successfully attracted players into stores where they could more closely examine and purchase both Lottery and non-Lottery products.

In addition to achieving its best ever sales year, the Lottery also saw the strongest sales for the month of May on record. May 2017 Lottery sales totaled more than \$529 million; \$26.4 million higher than the previous May record reached in 2013. Sales from the month of May alone allowed the Lottery to contribute \$133 million to the EETF.

Record sales also led to busier Lottery District offices throughout the state. In fiscal year 2016-17, sales resulted in 156,416 claims, which provided \$384,262,266 in payouts to players processed at nine district offices statewide.

Department of the Lottery
Historical Lottery Sales by Game
(In Thousands)



Lottery District Office Successes - Three of the Lottery's nine sales districts individually exceeded \$1 billion in sales for the year, while all nine districts exceeded their annual sales goals. Sales for the district offices of Miami, Tampa and Orlando respectively reached \$1,333,466,778, \$1,088,526,653 and \$1,071,338,328. Compared against other lotteries, the Miami district alone would classify as number 16 among state rankings.

The sales team continued to look for merchandising opportunities in the stores and added more than 34,000 new Scratch-Off ticket facings this fiscal year, increasing the visibility of Lottery products. Utilizing the mobile sales tool, the sales team better minimized out-of-stock occurrences, ensuring top-selling Scratch-Off games were always available. Additional facings allowed players to access the 75 – 86 different Scratch-Off games available at any given time throughout the year. Retailers

Corporate Growth - The Lottery's Corporate Sales team continued to aggressively pursue sales opportunities through merchandising and marketing efforts that support the agency's goals. Working with chain partners increased Lottery Scratch-Off facings and dispenser presentations, improved overall Lottery presence, and increased the level of partnership opportunities. Strong partnerships resulted in being named "Vendor of the Year" by both RaceTrac and the Walmart Services team, each of which are top 10 retailers within the state. Strategic focus and partnerships resulted in overall corporate account sales growth that exceeded state wide results. For the Lottery's 2016-17 fiscal year, Corporate Account Sales were up 3.07% overall, with Scratch-Off sales up 9.76%.

Corporate Accounts experienced new store growth with many top 25 chain partners expanding and adding store fronts. Wawa, RaceTrac, Publix and Walmart all experienced significant store growth impacting a variety of trade channels, particularly in Central and South Florida. The CVS pilot program was expanded, doubling from 12 to 24 store fronts. In 2017, the Florida Lottery was also selected as the first state to pilot sales in Walmart Supercenters nationally.

Finally, strong corporate relationships allowed for enhanced support of educational events and messaging across the state. Corporate partners including Circle K, Southeastern Grocers (Winn Dixie), RaceTrac, Wawa and Cumberland Farms partnered with the Florida Lottery for Bright Futures events across college campuses. Other partners, such as Murphy and Wawa, placed point of sale materials proudly displaying their chain's contributions to education in Florida based on their sales. Circle K, Murphy and Southeastern Grocers (Winn Dixie) supported the Florida Lottery on-site for high profile sales events, further impacting overall sales and contributions to education.

PRODUCT DEVELOPMENT

DRAW GAMES:

In August 2016, the Lottery introduced two new Draw games, PICK 2™ and PICK 5™, in conjunction with the rebranding of two longstanding player favorites, CASH 3™ and PLAY 4™, as PICK 3™ and PICK 4™. This resulted in increased product exposure for the PICK Daily Games™ and added revenue to a very strong daily game category. The 1-OFF® play type, which allows players to be one number off from the winning numbers and still win, was added to the new games in April, generating a second wave of exposure and excitement for the PICK games.

Florida began offering the multi-state CASH4LIFE® game in February 2017. This unique game offers two life-changing prizes of \$1,000 a Day for Life and \$1,000 a Week for Life. Florida players responded to the new Draw games, PICK 2, PICK 5 and CASH4LIFE, by purchasing over \$100 million in tickets, resulting in approximately \$42 million in revenue to education.

Five limited-time promotions were offered during the fiscal year to provide a lift in sales and encourage trial play of Draw games and add-on features. A fall and spring offering of GROUPER® allowed players to sample a mix of games for \$5 and get one free. To promote EZmatch™ sales for both FANTASY 5® and LUCKY MONEY™, a semi-annual promotion featured more and higher EZmatch prizes. The Lottery also participated in a multi-state POWERBALL® Power Cruise Promotion, in which 100 Florida prizewinners received a 5-night vacation for two on a chartered Royal Caribbean® Cruise that included VIP concerts and cash prizes onboard. As a result of these promotions, an additional \$7 million in sales was achieved, providing more than \$2 million in funding for education.

Providing players with a balanced mix of games including both jackpot and non-jackpot driven games, as well as limited-time offerings, allowed the Lottery to attain Draw game sales of \$1.9 billion. Draw game sales alone contributed more than \$772 million in revenue to education.

SCRATCH-OFF:

The Lottery launched 41 new Scratch-Off games with a variety of themes; colors; play styles; top prizes; and price points to appeal to Florida's unique and diverse population. With a broad product mix appealing to a wide audience, and a marketing strategy focused on maximizing revenue for education, Scratch-Off sales saw a significant increase of \$289 million compared to the previous year, a seven percent increase.

The Lottery had the top performing \$25, \$20, \$5, \$2 and \$1 games compared to all other U.S. Lotteries as measured by first twelve week average sales in fiscal year 2016-17. (\$25) \$10,000,000 WORLD CLASS CASH, (\$20) \$5,000,000 GOLD RUSH DOUBLER, (\$5) \$500,000 GOLD RUSH DOUBLER, (\$2) \$50,000 GOLD RUSH DOUBLER and (\$1) \$10,000 GOLD RUSH DOUBLER, were each the top performing games in their categories and contributed over \$949 million in Scratch-Off sales. These five games alone generated more than \$175 million in transfers to the EETF.

In July, the Lottery introduced the MONOPOLY: FLORIDA EDITION family of games at the \$1, \$2, \$5, \$10 and \$20 price points, which accounted for over \$632 million in sales and contributed more than \$117 million in contributions to the EETF. The MONOPOLY: FLORIDA EDITION family of Scratch-Off games were supported by the PASS GO, COLLECT \$10,000 Second Chance Promotion that provided players an opportunity to enter their non-winning tickets for a chance to win up to \$10,000. The successful promotion saw an average of 29,000 unique players per drawing.

The Lottery introduced its newest \$20 game in September, \$5,000,000 GOLD RUSH DOUBLER, which set a Florida Lottery record for the highest single week of sales by a \$20 Scratch-Off game with more than \$17.4 million in sales. In fiscal year 2016-17, \$5,000,000 GOLD RUSH DOUBLER produced more than \$499 million in sales and contributed more than \$92 million in contributions to the EETF.

In January, the Lottery capitalized on the appeal and popularity of player favorite \$5,000,000 GOLD RUSH DOUBLER by offering a family of GOLD RUSH DOUBLER Scratch-Off games at the \$1, \$2, \$5 and \$10 price points. Launching the family in January revived promotional support of the \$20 game, resulting in the GOLD RUSH DOUBLER family accounting for more than \$828 million in Scratch-Off sales and generating more than \$153 million in revenue for education. The GOLD RUSH DOUBLER family of Scratch-Off games were supported by the DOUBLY RICH Second Chance Promotion that provided players an opportunity to enter their non-winning tickets for a chance to win up to \$25,000. The successful promotion showed excellent engagement with an average of 33,000 unique players per drawing.

For the sixth consecutive year the Lottery achieved a new record with more than \$4.2 billion in total Scratch-Off sales and over \$786 million in transfers to education. In addition, the Lottery also set a new industry record for the highest all-time single week of Scratch-Off sales at \$105.23 million, accounting for \$19.5 million in transfers to the EETF. The increase in Scratch-Off sales, which was a direct result of strategic marketing and distribution initiatives implemented by the Lottery, contributed more than \$44 million in additional transfers to education when compared to the previous year.



ORGANIZATIONAL STRUCTURE

As required by subsection 24.105(4), Florida Statutes, the following information reflects the organizational structure of the Florida Lottery as of June 30, 2017.

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.

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

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.

Office of the 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. Assists the Chief of Staff in executing both day-to-day activities and long-range planning.
- **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 and press releases. Communications is responsible for the Lottery's social media efforts, and produces official Lottery publications.
 - o Customer Service serves as the Lottery's direct liaison to players, responding to inquiries regarding games and various other facets of operations. It also manages customer correspondence via phone calls, emails and letters.
- **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).
 - o 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.
 - o 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.
 - o 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.
- **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.

- **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:
 - o 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.
 - o Software Quality Assurance is responsible for researching gaming system functional requirements and performing user acceptance testing on all gaming system software prior to implementation.
 - o 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.
 - o Games Administration manages all retailer accounting and systems related to game transactions, including ticket inventory. The unit coordinates all terminal gaming functions for Lottery Draw 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.

Office of the Deputy Secretary of Administration assists the Secretary by managing programs aimed at increasing lottery sales, transfers to the Educational Enhancement Trust Fund and financial management strategy. This division is actively involved in strategic planning, IT and administrative support, and the financial management of the Florida Lottery.

- **Procurement** provides strategic service in the acquisition of commodities and contractual services necessary in the operation of the Florida Lottery. Additional services include administering general and routine activities that result in the issuance of purchase orders and execution of contracts.
 - o 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.
 - o General Services manages and administers the contract management process as well as provides resources in the monitoring of contract deliverables. It also provides direction to ensure the minority business community participates in the Lottery's procurement and contracting processes.
- **Finance and Budget** assists the Secretary by providing fiscal direction for the Lottery to grow responsibly in a profitable and sustainable manner. The division oversees the development and monitoring of the department's budget, all financial reporting, disbursements and monitoring of cash flows.
 - o The Budget unit prepares the annual legislative budget request and any necessary budget amendment for the Lottery, monitors expenditures to ensure budgetary compliance, and coordinates the development of the Lottery's long-range program plan.

- o Financial Reporting is responsible for the production and distribution of all financial reports. The unit produces the statutorily required monthly financial report and annual financial statements, and all schedules and reports required for the Florida Comprehensive Annual Financial Report.
- o Vendor Disbursements is responsible for making payments to vendors supplying goods and services to the Lottery.
- o The Cash Management unit is responsible for coordinating all cash activities. This includes collecting funds from retailers, covering required disbursements, coordinating all banking activities and managing all investments.
- o 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 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.
- o 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.

Division of Sales assists the Secretary by increasing sales statewide through effective product development and research, along with the implementation of a strong sales and marketing plan. The department plans effective sales strategies and training in advance of all new product launches, in addition to overseeing the activities of, and disseminating policies and procedures to, the nine statewide district offices.

- o 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.
- o 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.
- o 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.

Director of Product Development and Research 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.

- o 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.
- o Product Development provides direction and oversight in the creation, design, development and management of Lottery Draw and Scratch-Off products.

Chief of Brand Management oversees all areas relating to the promotion and sale of Lottery products, strategic alliance partnerships, marketing, graphics, special events and promotions.

- o 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 Draw television carrier stations.

- o Strategic Alliance 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.
- o Graphics provides overall art design and direction for the Lottery, including quality control for Scratch-Off ticket design, logo usage, publications, promotional items and graphic presentations.
- o Special Events increases the awareness of Lottery products and contributions to education through special promotions, promotional merchandise and participation in special events in communities throughout Florida. Responsibilities include off-site, live game drawings, retailer promotions and Lottery Showvan scheduling.

Florida Lottery District Offices

DISTRICT 1 Tallahassee
250 Marriott Drive
Tallahassee, FL 32399-4000
(850) 487-7799

DISTRICT 3 Pensacola
Trade Winds Shopping Center
6601 North Davis Highway
Suite 55
Pensacola, FL 32504-6301
(850) 484-5020

DISTRICT 4 Jacksonville
Baymeadows Junction
8206 Phillips Highway, Unit 36
Jacksonville, FL 32256
(904) 448-4760

DISTRICT 5 Gainesville
Butler Plaza
3926 Southwest Archer Road
Gainesville, FL 32608-2342
(352) 334-3880

DISTRICT 6 Orlando
West Town Corners
380 South State Road 434,
Suite 1028
Altamonte Springs, FL 32714
(407) 788-2202

DISTRICT 9 Tampa
Centerpoint Business Park
1911 US Highway 301 North
Suite 170
Tampa, FL 33619-2661
(813) 744-6134

DISTRICT 10 Ft. Myers
11760 Metro Parkway
Fort Myers, FL 33966
(239) 278-7111

DISTRICT 11 West Palm Beach
Unit 1
West Palm Beach, FL 33411-6757
(561) 640-6190

DISTRICT 13 Miami
Miami Lakes Business Park West
14621 Oak Lane
Miami Lakes, FL 33016
(305) 364-3080

Between the years of 2000 and 2003, Districts 2, 7, 8 & 12 were consolidated with surrounding District Offices.

Updated 08/2017 flalottery.com

FINANCIAL REPORT

The most important element demonstrated with the Lottery's financial statements is the transfer to the Educational Enhancement Trust Fund (EETF). Accordingly, the primary focus of these financial statements is determining net income available for transfer, rather than the change in net position of the Lottery, which primarily reflect the changes in fair value of restricted investments.

The information below presents the Condensed Statements of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2017, and the prior fiscal year ended June 30, 2016, as derived from the Lottery's Statements of Revenues, Expenses, and Changes in Net Position.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

As of June 30, 2017, and 2016 (In Thousands)

Note: These numbers are unaudited.

	<u>2017</u>	<u>2016</u>
Operating Revenues:		
Ticket Sales	\$ 6,156,479	\$ 6,062,354
Bad Debt Expense	(1,073)	(1,487)
Terminal & Retailer Fees and Miscellaneous	7,611	7,620
Total Operating Revenues	<u>6,163,017</u>	<u>6,068,487</u>
Operating Expenses:		
Prizes	3,996,632	3,868,970
Retailer Commissions	343,608	337,007
Vendor Commissions	88,916	88,241
Other Expenses	80,805	80,121
Total Operating Expenses	<u>4,509,961</u>	<u>4,374,339</u>
Income from Operations	<u>1,653,056</u>	<u>1,694,148</u>
Nonoperating Revenue, Net of Expenses	<u>(25,741)</u>	<u>24,290</u>
Income Before Operating Transfers	<u>1,627,315</u>	<u>1,718,438</u>
Total Transfers to EETF	<u>(1,656,348)</u>	<u>(1,692,551)</u>
Change in Net Position	<u>(29,033)</u>	<u>25,887</u>
Net Position, Beginning Restated	<u>107,430</u>	<u>81,543</u>
Net Position, End of Year	<u>\$ 78,397</u>	<u>\$ 107,430</u>