



FY 2015

YEAR IN REVIEW

Message from the President & CEO and the Board Chair

On behalf of the Tennessee Education Lottery Corporation (TEL), we are proud to provide an overview of Fiscal Year 2015—a



Rebecca Paul Hargrove
President and CEO

stellar year that produced record sales for the 11th consecutive year. Total sales for the period from July 1, 2014, through June 30, 2015 were \$1.475 billion, or 4.1 percent over the previous year's sales record. Furthermore, the year's contribution of \$347.7 million to all Lottery-funded education programs also set a record.



Susan Lanigan
Chair of the Board of Directors

In addition to students and families in Tennessee, hundreds of thousands of Lottery players benefited from prizes, promotions and new games, while retailers earned a record amount of commissions. Looking ahead, we remain committed to maximizing dollars for

education by offering innovative games, promoting efficiencies and best practices, and providing superior customer service to our retailers and players. In this manner, the TEL will continue to be successful, helping fund valuable education programs in Tennessee.

Education

Since the first awards were given in the fall of 2004, Lottery-funded programs have grown to include 12 different scholarships and grants, multiple after-school programs, an energy-efficient schools program, and the recent Tennessee Promise initiative.

- FY15 contribution: \$347.7 million—a record high
- Total since inception: More than \$3.4 billion

After-School Programs

Lottery funds were used to support 76 K-12 after-school programs serving approximately 15,687 students.

SOURCE: Tennessee Student Assistance Corporation, Tennessee Department of Education Extended Learning Programs

Educational Beneficiaries

- \$304.1 million was awarded to 105,345 students in Academic Year 2014–2015, including 21,745 in dual enrollment classes.
- Total number of student awards since inception: 939,000

2014–15 Academic Year Details:

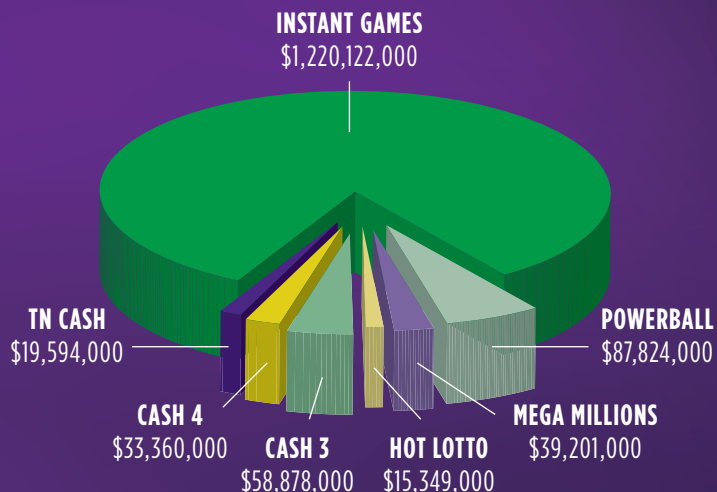
Board of Regents / Two-Year	30,132
Board of Regents / Four-Year	27,361
University of Tennessee System	20,743
Independent / Four-Year	15,154
TN College of Applied Technology	11,614
Proprietary Institutions	332
Independent / Two-Year	9

Totals	105,345*
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*Note: Totals represent a distinct count of students and are not always a sum of the numbers in the section. Students can attend multiple institutions.

Sales

- \$1.475 billion in total gross sales, a record high and a 4.1% increase over FY14
- Total since inception: More than \$13.3 billion



Prizes

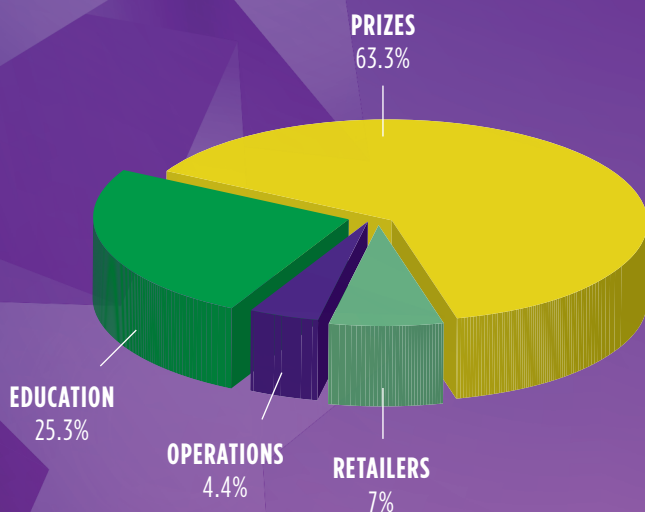
- During 2014–2015, players won more than \$981.4 million in prizes, for an average of approximately \$2.6 million per day
- 27 winning tickets were sold worth \$1 million or more during 2014–2015, bringing the total since inception to 169
- Largest prize: \$50 million Powerball jackpot won by a Knox County player
- More than 374,000 participated in the “VIP Players Suite®”, the TEL’s player affinity club
- Total prizes won since inception: More than \$8.4 billion

Retailers

- Retailers earned more than \$96.3 million in retailer commissions and sales bonuses
- Total earned since inception: More than \$872.7 million

Strategies to retain and recruit a dynamic, diverse and successful retailer network of more than 5,000 include:

- Retailer-specific Helpline and TEL staff, signage, newsletter and more
- Hands-on training
- Retailer advisory board



Where the Money Goes

Management

By statute, a seven-member Board of Directors, appointed by the Governor and confirmed by the General Assembly, provides governance and sets overall policy for the TEL.

FY15 Board of Directors



Susan Lanigan
Chair



Craig Powers
Vice Chair



William Carver



Roy Harmon



Cordia Harrington



Pearl Shaw



Tom White

Rebecca Hargrove, President and CEO, oversees daily operations and is responsible for developing a broad vision for the organization and ensuring strategies to achieve all objectives are implemented.

The FY15 TEL team included 171 skilled, experienced and dedicated professionals working throughout the following Divisions:



Executive: Rebecca Hargrove
President and Chief Executive Officer

Corporate Affairs: Internal and external communications, Legislative/government affairs

Internal Controls: Reports directly to the Board of Directors, ensures adequate internal controls are in place to ensure integrity and accountability in TEL operations



Legal: Wanda Young Wilson
Chief Operating Officer and General Counsel
Human Resources, Legal Services, Security,
Retailer Contract Administration, Corporate Services,
Equal Business Opportunity Program, Procurement



Finance and Information Systems: Andy Davis
Chief Financial Officer and Information Systems Officer
Accounting, Prize Validation, Retailer Receivables, Purchasing,
Game Drawings, Gaming Systems and Operations, Network and
Telecommunications Systems, Software and Quality Assurance



Sales: Sidney Chambers
Executive Vice President
Sales, Retailer Sales and Services, Corporate Accounts,
Warehouse Management and Distribution, District Offices



Advertising and Marketing: Lou Ann Russell
Executive Vice President
Advertising, Events and Sponsorships, Retail and
Digital Marketing

Equal Business Opportunity Programs

The TEL is committed to a diverse and inclusive workplace, including the active engagement and participation of the minority business community.

Strategies include:

- Advisory Council on Business Participation
- Summer Internship Program with Historically Black Colleges & Universities
- Retailer and TEL Workforce Diversity
- Equal Business Opportunity Program: The TEL and its major procurement vendors continued to maximize minority business participation during FY15 as follows:
 - TEL – 17% or \$1,688,915.79
 - IGT – 26% or \$4,483,191.96
 - Scientific Games – 21% or \$2,496,057.39
 - The Buntin Group – 21% or \$1,369,425.93

Responsible Gaming

With Responsible Play, Everyone Wins

- TEL is committed to incorporating responsible gaming practices in all operations
- TEL has achieved Level 2 Certification by the World Lottery Association for its Responsible Gaming Framework
- Active in national conferences and awareness campaigns

Contact Us:

The TEL is headquartered in Nashville,
with District Offices in Memphis, Chattanooga and Knoxville

For more information, visit tnlottery.com or call 615-324-6500

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