The story of the Tennessee Education Lottery Corporation began on January 20, 2004, and since that inception date, the defining narrative of this organization has been one of sustained excellence.

Fiscal Year 2021 is perhaps our greatest chapter – so far.

On behalf of the Tennessee Education Lottery Corporation (TEL) and its Board of Directors, we are thrilled to present the annual report of Fiscal Year 2021. Consider this: The fiscal year began in the throes of the COVID-19 global pandemic and ended with the Delta variant beginning to fuel a rise in cases. Throughout the year, the TEL encouraged players to take appropriate health and safety precautions when purchasing tickets at Lottery retailers, and during this time, the TEL kept adapting to changing market conditions, achieving incredible results for Tennessee students.

The Lottery’s Total Revenues of $492.8 million in Q1 beat the prior year by $70.9 million and set a new Q1 record. By the end of Q2, Total Revenues of Tennessee-based games (instant and draw-style) were up 13.6 percent at the end of Q2 over the same time the previous year. Combined with significant jackpot rolls in Mega Millions and Powerball, the TEL had its best December since inception.

And on January 5, 2021, the TEL crossed over the $1 billion mark in Total Revenues, the earliest in a fiscal year it had ever achieved that measure.

For Q3, the Tennessee Lottery raised a record $140,300,000 for education: $132,883,000 to the Lottery for Education Account and $7,417,000 for after-school programs. Lottery players also collected more than $342 million in prize winnings during Q3. That momentum from Q3 continued to roll right into Q4, and on Tuesday, April 6, 2021, Instant Game sales were $10,151,891 – the highest single day total since the TEL’s record-setting first day in 2004.

Fiscal Year 2021 closed on June 30, and in the end, the Lottery transferred $499,885,000 – nearly a half-billion dollars for education – shattering the previous record of $447.1 million in FY2019 by more than $50,000,000. Total education funding increased more than 14 percent year over year. Fiscal Year 2021 Total Revenues reached $2.083 billion, surpassing $2 billion for the first time in the Lottery’s incredible history.

Most importantly, the total raised for education in Tennessee since inception – the sole purpose behind the establishment of the Lottery – climbed to $6,003,863,000.

HIGHLIGHTS

In Q1, we launched a new look on our website and rolled out a new mobile app that brings our website and VIP Rewards Players Club program into one mobile location.

We added the popular instant-win add-on option Quick Cash to Cash 4 Life in October 2020 and to Lotto America in January 2021.

On Tuesday, April 6, 2021, we achieved our highest single day total of instant game sales since the TEL’s record-setting first day in 2004. April 6 was a Tennessee Tuesday, the first Tuesday of every month when the TEL introduces new instant games.

In June, we sponsored the Tennessee Lottery 250 at Nashville Superspeedway, and it was great to be a part of bringing NASCAR back to the Superspeedway for the first time in 10 years.
The TEL is governed by a seven-member board of directors that sets overall policy for the TEL. The board members are appointed by the governor and confirmed by the General Assembly.

The TEL Team includes 162 committed professionals working together across the following divisions:

**Executive: Rebecca Paul** | President and Chief Executive Officer

The President and CEO oversees all daily operations, develops a broad vision for the Corporation, and ensures the Lottery achieves its mission of maximizing revenues for education.

This division also includes:
Legislative and Government Affairs & Internal Controls: Reports directly to the Board of Directors, monitors internal controls to ensure integrity and accountability in TEL operations.

The President and CEO also oversees the Executive Management Team, which includes:

**Legal: Alonda McCutcheon**
Executive Vice President and General Counsel
Legal Services, Human Resources, Security, Retailer Contract Administration, Corporate Services, Equal Business Opportunity Program, Sports Wagering

**Finance and Information Systems: Andy Davis**
Chief Financial and Information Systems Officer
Accounting, Prize Payments, Retailer Receivables, Purchasing, Fleet Management, Gaming Systems and Drawings, Software Services, Quality Assurance

**Advertising, Marketing and Communications: Lou Ann Russell**
Executive Vice President
Advertising, Events and Sponsorships, Retail and Digital Marketing, Internal and External Communications, Player Services

**Sales: Wylie Dillard**
Executive Vice President
Sales, Retailer Sales and Services, Corporate Accounts, Warehouse Management and Distribution, District Offices
The Lottery crossed over $2 billion in Total Revenues in the fiscal year on June 15 – the first time in its history it has ever done so. The TEL finished the fiscal year with Total Revenues of $2,083,873,000, up 13.2 percent across all games and the third record-breaking year in a row. Total Tennessee-based Games Revenue finished the year up 11.8 percent, and with large jackpots for Mega Millions and Powerball experienced through the holiday season, multijurisdictional games ended the year up 30.7 percent over the prior year.

Additional highlights include:

- Following the record-setting month in April, Fourth Quarter Instant Revenues of $475.5 million were the highest for any quarter since inception.
- The FY 2021 $499,885,000 transfer to the Lottery for Education Account exceeded February estimates.

The Lottery funds 14 different scholarships and grants for Tennessee students, including HOPE Scholarships, Wilder-Naifeh grants, Tennessee Promise, Tennessee Reconnect and other Drive to 55 initiatives.

Funds raised by the TEL are also used to support after-school programs and an energy-efficient schools initiative.

More than 151,000 students benefited during the 2020–2021 school year, and $14 million in unclaimed prize money was used to support K–12 after-school programs for 67 grantees at 217 individual sites serving 14,400 students.

Since the Lottery’s inception on January 20, 2004, 1.77 million Lottery-funded scholarships and grants have been awarded, and more than $230 million has been raised for after-school programs in Tennessee.

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Fiscal Year 2021 started hot with a $3,000,000 Royal Jumbo Bucks winner out of Dickson County. The heat continued into August with multiple high-tier Powerball winners in four consecutive drawings, starting on August 5.

A Tennessee Cash ticket worth $1,148,030 was sold on Friday, September 11, in Memphis, and it was the 300th ticket sold worth $1,000,000 or more in Tennessee Lottery history. This was the first of two Tennessee Cash jackpots won in FY 2021 worth more than $1,000,000. The second jackpot was won on March 10, 2021 and was worth $1,178,746.

For all of FY 2021, there were 23 tickets sold worth $1,000,000 or more, and of those:
- Three were prizes of $4,000,000, and
- Five were prizes of $3,000,000, including two Play It Again! winners.

In FY 2021, players won more than $1.339 billion in prizes, and Tennessee Lottery players have won more than $16.5 billion in prizes since inception.

The TEL’s network of committed retailers runs from Mountain City to Memphis, offering the primary connection between the Lottery and its dedicated players. Lottery games are sold at more than 5,000 locations, and during FY 2021, the TEL continued to remind and encourage all players to take the appropriate health and safety precautions when buying tickets at participating retailers.

In FY 2021, 5,197 retailers earned more than $135.9 million in retailer commissions and incentives.

Since inception, Tennessee Lottery retailers have earned more than $1.5 billion in commissions.

The TEL employs several proactive strategies to achieve a diverse and inclusive workplace, including active engagement with the minority business community.

**TEL Workforce Diversity**
- Of the cumulative total of 162 TEL employees during FY 2021:
  - 52% women,
  - 48% men,
  - 48% minority, and
  - 52% non-minority.

**Equal Business Opportunity Program**
- Lottery and its major procurement vendors exceeded statutory or contractual goals as follows:
  - Buntin – 18%
  - IGT – 21%
  - SciGames – 18%
  - TEL – 21%

**TEL Advisory Council on Minority Business Participation**
- A group of business leaders from each of Tennessee’s three Grand Divisions that assist TEL management in developing economic, technical and educational strategies for increasing minority-owned business participation.
DIVERSITY AND INCLUSION CONTINUED

Wanda Young Wilson Summer Internship Program
Funded by the TEL’s major procurement vendors, this annual 10-week paid internship program offers professional corporate training and work experience to students attending Tennessee’s Historically Black Colleges and Universities.

CORPORATE SOCIAL RESPONSIBILITY

The Lottery’s mission is to raise funds for education in Tennessee, and we do so in a responsible manner. All Lottery staff are dedicated to the organization’s role as a socially responsible corporation.

Delivering on this pledge includes:

• World Lottery Association Responsible Gaming Level 4 Certification, the highest level awarded.
• Application for and receipt of the National Council on Problem Gambling’s Responsible Gaming Verification.
• Active membership in Tennessee Association of Alcohol, Drug and other Addiction Services.
• Social action projects benefiting the community.
• Employee programs to encourage professional growth, health and wellness.
• Diversity and inclusion initiatives.
• An environmentally conscious workplace and anti-litter program.
• Enforcement of rules and regulations regarding responsible gaming for sports wagering in Tennessee.
• Continued integration and execution of work processes to protect the health and safety of our players, retailers and employees during the COVID-19 global pandemic.

SPORTS WAGERING

During FY 2021, the TEL was responsible for the licensing and regulation of online sports wagering in Tennessee, working with the Sports Wagering Committee of the TEL Board of Directors and the nine-member Sports Wagering Advisory Council.

Legal interactive sports wagering launched on November 1, 2020, with four operators at the outset taking wagers. That same month, the TEL joined the Global Lottery Monitoring System (GLMS), the first U.S. member and first regulating member of the international association dedicated to protecting the integrity of sports wagering worldwide.

The fiscal year closed with a total of seven sportsbook operators legally accepting and paying out wagers during FY 2021.

Contact Us:
For more information, visit tnlottery.com or call 615-324-6500.
Follow us on Facebook, Twitter & Instagram

For more details about the TEL's FY21 financial performance and review of the FY21 Audit Report, visit tnlottery.com.