

**FOR A
BETTER
NORTH
CAROLINA**



For a better North Carolina

Across North Carolina, our future looks brighter. Nothing makes a better impact on our state than progress for education. New schools opened their doors and welcomed new students and state-of-the-art learning experiences – from the mountains to the coast. A new high school in Caswell County, a new elementary school in Hertford County and a new elementary school in Harnett County. This list goes on and on with more groundbreaking and ribbon-cuttings happening soon.

This boom in new school construction results largely from the money raised by the N.C. Education Lottery. Since the start of the lottery, more than \$2.5 billion has been raised to build new schools and repair older ones. Last year alone, more than half a billion dollars flowed to our counties through three state school construction and repair funds supported by the lottery.

In a special ten-page section, this year's Report to the Public spotlights how the lottery is helping communities make their dreams of new schools come true.

The new schools provide the most visible and tangible way that the lottery makes a difference in our state, and the lottery supports many other education initiatives as well. All public schools receive funds to help pay for school workers and school transportation. Four-year-olds get a free academic preschool to get them ready for kindergarten. Many of our students at state universities and community colleges receive scholarships and grants that make a college degree more affordable to them. In all, more than \$1 billion raised by the lottery went to those programs last year.

The North Carolina Education Lottery raised over \$900 million in support this year, bringing the total funds generated by the lottery since it began to over \$9 billion. Over the last 16 years, the money raised provided countless opportunities for students. The lottery remains committed to continued growth for the cause we serve – public education, for a better North Carolina.

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Work together. Play together. Win Together! A group of 22 friends who work together as civilian employees in communications at Fort Bragg shared a \$100,000 Powerball win. "It's just a good time," said Neil Ellis, a spokesman for the Power Play 22 Team, of playing as a group. "We really enjoy it."



The Purple 8: Eight FedEx Freight employees who work together in Hope Mills teamed up to split a \$2 million Powerball prize. "I've been having dreams lately about the winning ticket being sold in Fayetteville," said Michael Walker of Raeford, a spokesman for the group. "So I bought at least one ticket in Fayetteville for each drawing."

Making dreams come true... for a better North Carolina

Playing the lottery gives North Carolinians a chance to see their dreams become a reality. Winners of big prizes get to decide how the wins can better their lives. Some pay off their mortgages or buy new cars they need. Others use the money to boost their savings or retirement accounts.

Highlights

The lottery paid out a record \$2.54 billion in prizes, including:

- \$6.9 million a day, on average.
- 78 wins of \$1 million or more.
- 262 wins ranging from of 100,000 to \$999,999.
- Two \$5 million prizes on 200X The Cash scratch-offs, the biggest wins of the year.



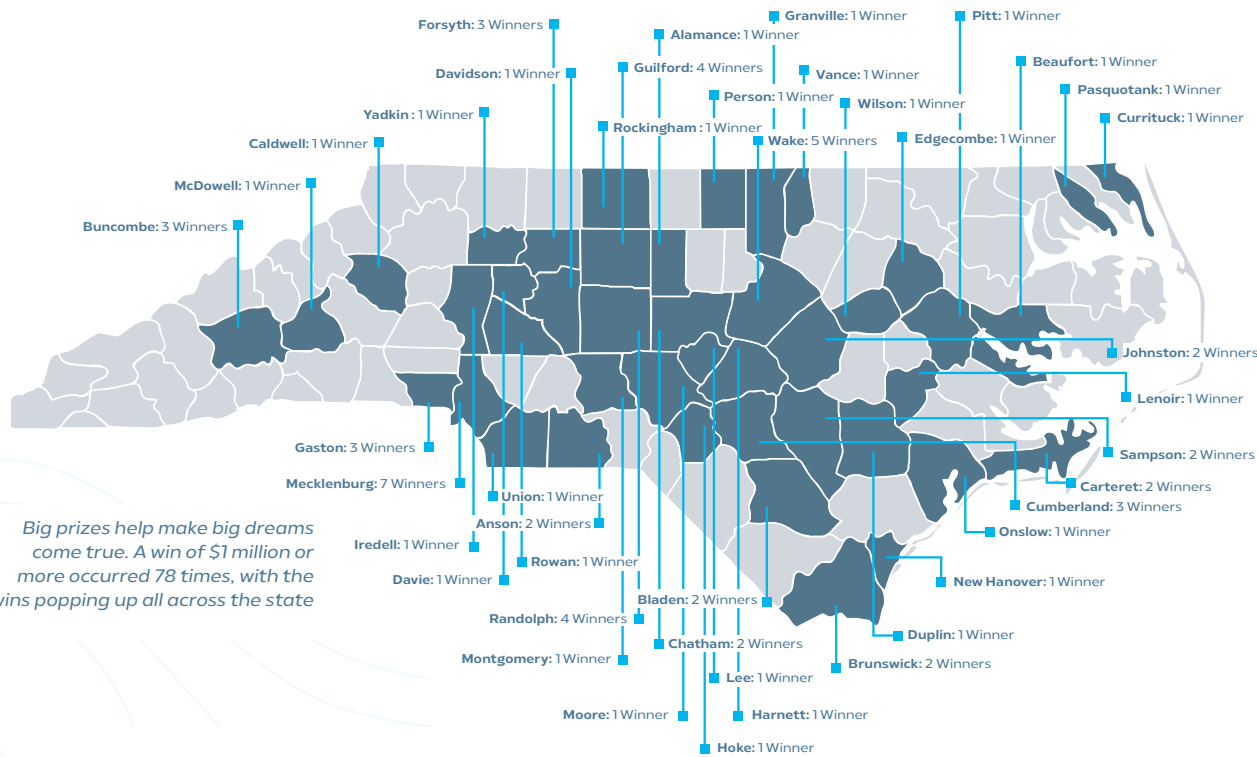
Roger Shue of Star, winner of \$1 million in the \$10,000,000 Colossal Cash game, said his win means a life with no more house payments. "It truly did help me. After I won, I was able to retire earlier than I thought I would be able to. I've also been able to pay off my house."



Joe Mathews of Raleigh, winner of \$1 million in a second-chance drawing, said the best part of winning the prize is he could pay for his daughter's dream wedding in Aruba. "I believe in second chances. I really do. I have had second chances in my life and I'm still getting blessed from them."



Abilene Ramirez Navarro of Louisburg, winner of \$250,000 in the 20X the Cash game, said with her prize money she could help her father fulfill his dream of opening his own tire shop. "This win is going to be really helpful for us. We're just so happy."



Memorable wins

Some wins create unforgettable moments.

- A Fayetteville man won two \$25,000 a year for life prizes in a drawing in November after accidentally playing the same numbers twice because he wasn't sure if he bought a ticket. "I was just laying in bed watching a basketball game on TV and I couldn't remember if I filled it out or not," said Scotty Thomas. "...The next morning my son asked why there were two different amounts listed. I realized, 'I think I filled it out twice.'"
- A retired Army veteran from Mecklenburg County won \$4 million playing Mega Millions after using the numbers from his fortune cookie at a Chinese restaurant. "I don't usually play my fortune cookie numbers but I tried them on a whim," Gabriel Fierro said.
- A retired U.S. Postal manager from Greensboro, Truman Caddell, spun his way to a \$900,000 prize on a giant prize wheel at a Bigger \$pin game event. "I feel so blessed," said Caddell, a Vietnam War veteran. "... It was just an exciting moment. That wheel is exciting."
- A Stokesdale man won a VIP NASCAR experience as grand marshal of the NCEL 200 truck race at Charlotte Motor Speedway. "I've always loved racing so being able to do this is just really cool," said Bill Sorrell. "I just love the atmosphere here."



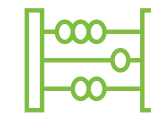


Providing a strong start in schools ... for a better North Carolina

Every year, some of the money raised by the lottery goes to support North Carolina's preschool program. The program, called NC Pre-K, serves "at-risk" four-year-olds who are judged to be behind their peers. It provides a free, academic preschool program designed to help those four-year-olds get ready for kindergarten. With a stronger start in preschool, children will be on their way for better success in the school days to come.

How the Lottery helps:

\$78 Million



...That's the amount of lottery funds allocated for NC Pre-K

12,221



...That's the number of four-year-olds who received free academic preschool from those monies.

41%



...That's the lottery's share of the \$191.8 million state investment in the NC Pre-K program.

"The NC Pre-K program provides a strong foundation for eligible four-year-old children across the state as they begin their educational journey. Funding from the N.C. Education Lottery supports NC Pre-K's highly qualified early care and learning teachers who work with families to develop the vital learning and life skills young children need for success in school and life. The success of NC Pre-K is a win for kids, families, teachers, and our state!"

— Lorena R. González, M. Ed.
Senior Manager, NC Pre-K Program



Making college more affordable ... for a better North Carolina.

Since the start of the lottery, part of the money raised each year helps North Carolina students cover the costs of going to college. All of the scholarships and grants are awarded based on financial need. Scholarships go to students at state universities and community colleges. Financial-aid grants are awarded to students attending one of the UNC universities. All a student has to do to be considered for financial aid is complete the annual FAFSA form. The \$46 million in scholarships and grants awarded last year helped make thousands of education dreams come true, providing a better future for many North Carolina college students.

How the Lottery helps:

\$35.7 million



27,146



\$10.3 million



48,504



“The North Carolina Education Lottery is an invaluable partner to the N.C. State Education Assistance Authority as we help our state’s students pay for college. Last year alone, the Education Lottery supported 75,000 students through need-based scholarships and grants. This funding is an investment in our state’s future, ensuring students have the education to succeed in a demanding and changing economy.”



— Andrea Poole
Executive Director, North Carolina State
Education Assistance Authority



Supporting school staff ... for better North Carolina schools

A large portion of the money raised by the lottery supports public schools all across the state. Much of the money covers the salaries of staff who help keep the schools up and running, including office assistants, custodians, and substitute teachers. Some of the money also goes to help cover the costs of school transportation to get students to school and back each day.

How the Lottery helps:

\$386 million went to cover the costs of support staff.



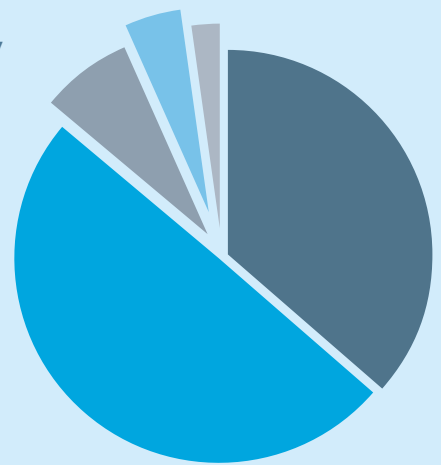
\$21.4 million went to help pay the costs of school transportation.



Education Programs Supported by the Lottery

Here's how lottery funds were distributed in school year 2021-22:

- 36.5% School Staff
- 49.7% School Construction
- 7.4% NC Pre-K
- 4.4% College Scholarships & Grants
- 2% School Transportation



"The North Carolina Parent & Teacher Association values our ongoing partnership with the N.C. Education Lottery. The partnership helps us both advance our efforts to support public education all across North Carolina. We've learned how the money raised by the lottery benefits our students and schools, particularly funding for the NC Pre-K program. The NCPTA appreciates the lottery's support of the PTA's mission in our great state."

— Francelia Burwell
President, North Carolina Parents & Teachers Association



How your county benefits:

Information on how the money raised by the lottery supports education programs in your county is easy to find. You can:

- Visit the Impact and Education webpages on lotteryinc.com.
- Pick up a brochure at lottery play centers wherever lottery tickets are sold.



Building new schools ... for a better North Carolina

The need for new, modern, state-of-the-art schools ranks as one of the top education needs in counties all across North Carolina. Since its start, the lottery has helped to meet that need. Last year, more than half a billion dollars from money raised by the lottery went to school construction and repair. If you add up all the lottery money allocated to school construction so far, it now exceeds \$2.5 billion. Schools sit at the heart of many North Carolina communities, not only as places of learning but also places where communities gather together for cultural and community events. A new school not only betters a community, but as more and more new schools open across our state they make for a better North Carolina.

Jones County



A \$15 million state grant from lottery funds helped to build a new state-of-the-art school in Jones County, a small rural community in Eastern North Carolina. The new school campus, the first new school in the county in 50 years, opened in 2019 and provides a new home to Trenton Elementary School and Jones County Senior High.

The 123,000 square foot school features:

- 41 classrooms filled with the latest classroom technology
- The latest school safety features
- Three wings housing elementary, middle, and high school students separately
- Four science labs
- Four collaborative spaces
- Six exploratory classrooms

"The new building is so different. You see the pride is there. The kids are excited to come and they like being in the building. The better we can provide education for our future generations the better the future will be."

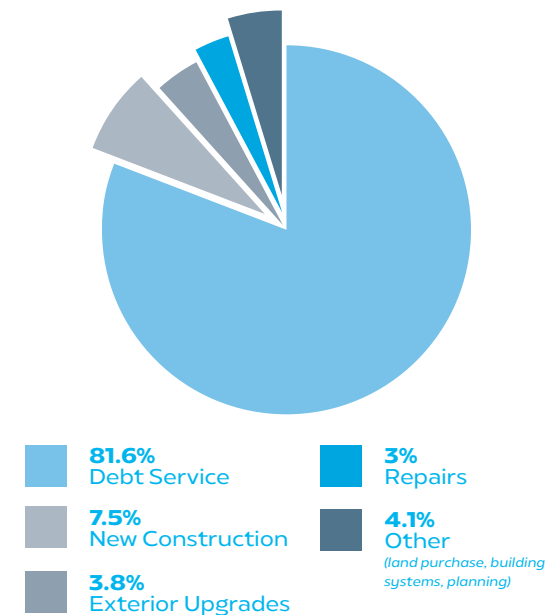
— Tod Morgan,
Principal, Jones Senior High School



Public School Building Capital Fund

- Supports school construction and repair in all 100 counties
- **\$100 million** last year
- Supported 229 construction and repair projects

How Funds Were Used:



Needs-Based Public School Capital Fund

- Provides grants of up to \$50 million, based on need, to counties to build new schools
- **\$395.8 million** in grants last year

Public School Repair and Renovation Fund

- Provides repair and renovation funds to each of the state's 100 counties
- **\$30 million** last year, including \$300,000 to each county

"Counties across North Carolina have a continuously growing need to build new schools that provide modern classrooms for our children to learn. I worked in North Carolina's community college system for almost 30 years and saw firsthand how important it is for students to have a learning environment conducive to a successful education. My home county, Washington County, is one of 46 counties where money raised by the lottery is helping to meet that need. North Carolina's counties take our children's education seriously and making resources available for school construction is one of our association's ongoing priorities. The lottery's investment in public education will help counties for many years to come."



— Tracey Johnson
Washington County
commissioner and president
of the N.C. Association of
County Commissioners

Providing counties monies ... to build better schools

Groundbreakings and ribbon-cuttings are occurring all across North Carolina as new schools, supported by hundreds of millions of dollars raised by the lottery, help counties provide modern, state-of-the-art facilities for students to learn. Educators say the new schools are making a big difference in education.

How the Lottery helps:

**\$525.8
million**



went to build and
repair schools (FY22)

**\$2.5
billion**



for school construction/
repair since lottery's start



New Ahoskie Elementary School, Hertford County

Harnett County



Harnett County, part of the fast-growing Triangle region of the state, needs several new schools in the next five years to meet the growth in its student population. The county recently broke ground on a new \$38 million elementary school, Northwest Harnett Elementary School. The new school, under construction with the help of a \$10 million grant from lottery funds, will provide about 1,000 students a brand new place of learning.



"The money raised by the lottery is making a huge difference in Harnett County. When the new school opens, I can't wait for these young students to walk through the front doors to see a fresh new building, somewhere that they are starting their educational journey, knowing that there are so many things in life that they have to look forward to."

— Dr. Aaron Fleming,
Superintendent, Harnett County Schools

Caldwell County



When the new Granite Falls Middle School opened, it replaced a school built 86 years ago – in 1935. The new school became the first in Caldwell County since 2015 and provided a new place of learning for 600 middle school students. Caldwell County financed the new school with \$12.3 million in county loan proceeds and a \$15 million grant from lottery funds.



"It's exciting. You see the excitement. You see a lot of daylight. You see the new furniture. You see the new opportunities. You see the new technology. You see the excitement on student faces. You see the excitement on teachers' faces. It is just a wonderful opportunity. This school has been on our facility plan for over 20 years and it finally, it finally happened."
 — Dr. Jeff Church,
 Associate Superintendent, Auxiliary Service, Caldwell County Schools

Hertford County



In 2021, the new Ahoskie Elementary School replaced a building with a cornerstone dated 1954, 67 years ago. Hertford County built the new \$21 million school with \$6 million in local funds and a \$15 million dollar grant from lottery funds. Major features include a new auditorium and state-of-the-art classrooms. The auditorium is the only school auditorium in the county. The community dreamed about this new school for more than 18 years.



"A game changer for our community. ... Conceptionally, it is kind of the same thing as going to the Marriott as opposed to Motel Six. The environment of where children learn is going to make a difference in how they learn because everybody feels better. The grown people, the children, the parents. When they drive up and see that facility, it changes mindsets."
 — Dr. William Wright,
 Superintendent, Hertford County Schools



Clay County



Clay County opened its first new school in more than 40 years with the help of a \$10 million grant from lottery funds. The new Hayesville Primary School serves about 25% of the student population, grades Pre-K through 2nd. The new school came with new amenities including a cafeteria, a gymnasium, playgrounds that are age appropriate for primary school students, and a nurse's station.



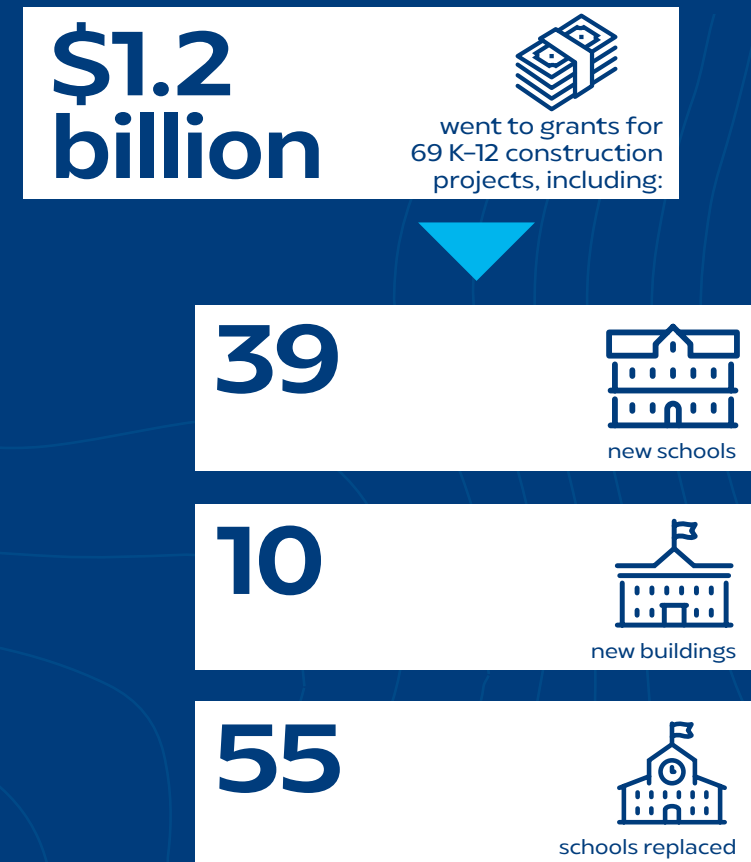
"Everybody's excited about it! Having a brand-new school in a town the size of ours, that's a big deal. ... We probably would not have been able to make it happen without the grant being available from the lottery."

— Dale Cole,
Superintendent, Clay County Schools

Money raised by the lottery has helped to build and repair schools since its start.

As the costs of new schools got more expensive the state started a new way to help counties meet their school facility needs. The Needs-Based Public School Capital Fund, supported mainly by the lottery, provides grants of \$30 million for an elementary school, \$40 million for a middle school, and \$50 million for a high school. So far, 47 counties have received major grants to help build new schools.

In the first six years (FY18 - FY22), the new school construction fund provided:



"The need for new schools in North Carolina is great, and the lottery is proud to do its part in raising money to meet that need. Using lottery funds to pay for schools built for the 21st Century is a great use of those funds. These new schools will serve families and their children for years to come, supporting education for a better North Carolina."

— Mark Michalko
Executive Director, NC Education Lottery

Play Smart™ – our game plan for a better North Carolina

Play Smart provides a game plan for a better way to play lottery games. Following that plan helps to ensure that lottery games are played the way they are meant to be played – and that is for fun. While Play Smart lives year-round on nclottery.com, it is featured on in-store monitors and at lottery play centers in all locations where lottery tickets are sold.

This year, our program raised awareness of responsible play during national Problem Gambling Awareness Month in March. Web banners, blogs and social media posts during the month shared key messaging about:

- Busting myths about lottery games.
- Providing winning tips and strategies to ensure you play for fun.
- Sharing signs and tools to make sure you stay in the fun zone.

Play Smart can benefit any North Carolinian who likes lottery games, no matter what their playing habits are. It's designed to educate, encourage, and empower everyone to make smart decisions when playing the lottery. The more players know about lottery games, the more likely they are to play for fun.



Highlights:

- Drew more than 230,000 visits to Play Smart web pages by lottery players
- Trained more than 1,100 new lottery retailers on best practices for responsible gaming and promotion of positive play.

The lottery continues its support of the N.C. Problem Gambling Program, contributing \$1 million a year for it to offer education, prevention and free treatment and counseling programs. All funds for these important programs come from the lottery as they have for more than 16 years.

National Council on Problem Gambling Partnership

The lottery continued its membership with the National Council on Problem Gambling and sponsorship of its annual conference. The partnership allows us to keep up with the emerging trends and research about how to best share information with players.

The council awarded the lottery a national Corporate Newsletter Award for our responsible gaming themed retailer newsletter. Distributed to all 7,000 locations where lottery tickets are sold, the newsletter raised awareness with retailers about how to share responsible play information and helpline information with their customers.

Key Numbers, N.C. Problem Gambling Program:

42%

of callers accepted treatment

100%

of participants found treatment useful

13.7 million

people reached through training, grants, and the website

Highlights:

- Recertified at Sustaining Level – the highest level possible – for the Responsible Gambling Verification program of the National Council on Problem Gambling and the National Association of State and Provincial Lotteries.
- Joined more than 80 lotteries and organizations around the world in an annual holiday prevention campaign organized by the National Council on Problem Gambling and the International Center for Youth Gambling and High-Risk Behaviors.
- Continued promotion with retailers about our “No Sales to Minors” campaign
- Shared information about available help for those with a gambling problem through a special ticket message that retailers can discretely share with players. The tool is used by stores in all regions of the state.



“The N.C. Education Lottery is a leader in the industry. Its dedication to positive play can be seen in their everyday actions and broader initiatives such as PlaySmart. The N.C. Problem Gambling Program is a proud partner of the NCEL in our shared goals, because together we are better.”

— Amanda Winters,
Program Administrator, N.C. Problem Gambling Program

Supporting our communities ... for a better North Carolina

The lottery's mission of raising money for education creates opportunities to partner and support those who make our state a better place. Throughout the year, you'll find the lottery supporting education groups, community festivals, professional and collegiate sports with its marketing and community affairs programs and through volunteerism with nonprofits and employees' donations to charities.



Partnerships continue to grow.

- Education groups and stakeholders:** The NC PTA, N.C. Association of School Administrators, N.C. School Board Association, the N.C. Association of County Commissioners.
- Teacher/Educator of the Week program.** Television partnerships spotlight teachers and educators weekly during the school year: WRAL in Raleigh, WGHP in High Point, WITN in Eastern North Carolina, and WLOS in Asheville.
- Community festivals:** African-American Cultural Festival of Raleigh and Wake County, Azalea Festival in Wilmington, Barbecue Festival in Lexington, Fayetteville Dogwood Festival, Historic Morganton Festival, HOLA Charlotte, IBMA World of Bluegrass in Raleigh, MumFest in New Bern, Riverfest in Wilmington, N.C. Apple Festival in Hendersonville, N.C. Seafood Festival in Morehead City, and N.C. Folk Fest in Greensboro.
- Professional and collegiate sports teams:** Carolina Panthers, Carolina Hurricanes, Charlotte Hornets, Charlotte Football Club, minor league baseball teams, college sports teams, and NASCAR races at Charlotte Motor Speedway.



"Before the pandemic and throughout the pandemic, the NC Education Lottery has been there, volunteering their time and support for our efforts supporting local schools. From helping configure over 10,000 WiFi hot spots for students without Internet access so they could learn remotely during the height of COVID-19, to beautifying school campuses, or by helping teachers get the school and classroom supplies they needed to prepare for a successful school year, we know we can call on our friends anytime a project needs some passionate people-power!"

— Amber Smith,
Executive Director, Activate Good



- Nonprofits and charities:** Activate Good, Walk To Defeat ALS Triangle, WAKE Up and Read, and State Employees Combined Campaign.

Community engagement grows as well.

North Carolinians who enjoy playing lottery games and supporting the lottery's mission to raise money for education engage with the lottery's social media channels and its loyalty program.

- Social media.** News, information, and fun promotions occur on the lottery's social channels including Facebook, Twitter, Instagram, LinkedIn, and YouTube.
- Lucke-Rewards.** More than 1.8 million lottery players have joined the popular loyalty program where they can earn points with their lottery tickets and enter weekly and monthly drawings for prizes.
- Play Smart™.** A cornerstone of all of our social platforms continues to be sharing the messages of playing smart and playing for fun.



Boosting retail sales ... for a stronger North Carolina economy

The lottery achieved its best sales year in fiscal year 2022, setting a new record of \$3.88 billion in ticket sales. Most of that money flows right back into the state's economy with record prizes paid to players, record commissions paid to the more than 7,000 stores statewide where lottery tickets are sold, and more than \$929 million in profits to support education programs. It all adds up to a stronger economy in North Carolina.

"Lottery sales account for nearly 25 percent of our business. They are definitely a mainstay. They've allowed us to provide more jobs and gain even more customers. I have served on the Retailer Advisory Panel since 2015 and I can tell you that the North Carolina Education Lottery is a fine-tuned machine, and continues to be one of the fastest growing and most efficient in the country. The lottery has had a great impact on our state's economy year after year. As a store owner I am proud to be part of such a great sales team."

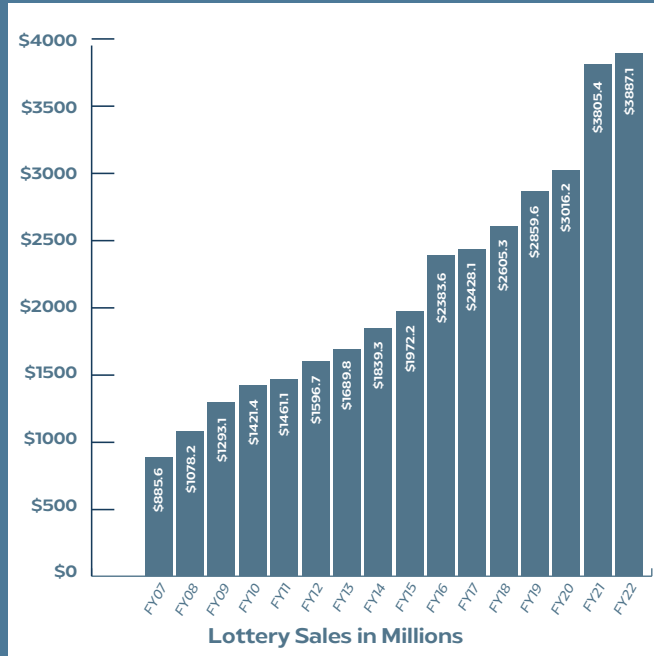


— Don Fender
Owner, County Line Fletcher,
Arden, NC

\$3.88 billion  in record sales, or \$10.6 million a day on average

\$266.2 million  in record commissions and incentives paid to retail partners


\$6.6 million  in sales to the top-selling retail location in the state, Calabash Food and Fuel in Brunswick County



Providing a strong start in schools ... for a better North Carolina

Highlights:

\$3.88 billion  Set new sales record of \$3.88 billion in ticket sales.

16th  Achieved record ticket sales for the 16th consecutive year.

\$9.2 billion  Surpassed \$9.2 billion in earnings for education since inception.

Clean Audits  Received an "unmodified" or clean opinion – the highest rating possible – in its annual independent financial audit for 16th year in a row.

\$31.8 million  Supported minority-owned businesses with \$31.8 million in contracts either from the lottery or its business partners

"As executive director of the North Carolina Education Lottery, I'm pleased to report that for the second year in a row the fun and play of lottery games raised more than \$900 million for our state. All of the money raised goes directly into education programs that better our state. These monies help a four-year-old get a strong start in school. They help every school with its staffing and transportation needs. They make going to college more affordable. Now, more than ever, lottery funds go to building new schools with grants up to \$50 million for a high school. With the help of lottery funds, new schools are opening all across our state. It's great to see those kinds of groundbreaking investments that will lead to a better future for North Carolina for years to come."



— Mark Michalko,
Executive Director, NC Education Lottery

Awards:

- **The Annual Comprehensive Financial Report and Popular Annual Finance Report** received awards from the Government Finance Officers Association of the United States and Canada for efforts to clearly communicate financial information to the public.
- **The Lottery Link** newsletter for lottery retailers received the Corporate Newsletter Award from the National Council on Problem Gambling.
- **Randall Keen**, retiring administrative operations manager, received the *Order of the Long Leaf Pine* from Gov. Roy Cooper for his service to the state.
- **Susan Singley**, director of advertising, received a Powers Award from the North American Association of State and Provincial Lotteries for significant contributions in advertising.
- **A radio ad** supporting the Carolina Keno game received a Batchy Award for outstanding advertising from the North American Association of State and Provincial Lotteries.

NC Education Lottery Commission



"For the sixteenth year in a row, the North Carolina Education Lottery achieved record sales as it accomplished its important mission of raising money for education. This history demonstrates that North Carolinians enjoy playing the lottery and helping to raise money for our schools. The lottery's overall contribution to education over these sixteen years exceeds \$9.2 billion – a remarkable amount. The thing about which I am most proud is that these record sales occur year after year with the kind of efficiency, integrity, and responsibility that the people of North Carolina should expect – the lottery does business the right way. The Commission will continue to work effectively with our lottery staff to ensure that lottery games are operated efficiently and responsibly to serve a better North Carolina."

— **Ripley Rand**
of Raleigh, Chair, NC Education Lottery Commission

Commission Members:



Cari Boyce*
of Raleigh



Lindsey Griffin*
of Greenville



Chris Hayes*
of Winston-Salem



Randy Jones
of Pine Level



Nigel Long
of Charlotte



Joshua Malcolm
of Pembroke



Jason Roth
of Cary



Pam Whitaker
of Winston-Salem

**New appointments to commission. Gov. Roy Cooper named Cari Boyce to replace Brad Adcock of Cary and appointed Ripley Rand as chair of the commission. Chris Hayes was named by Senate President Pro Tem to replace Jody Tyson of Snow Hill. Lindsey Griffin was appointed by House Speaker Tim Moore to replace Nick Picerno of West End.*



To view the lottery's financial statements detailed in the Annual Comprehensive Financial Report and the overview of the lottery's financial condition detailed in the Popular Annual Financial Report, please visit our website, nclottery.com.

Every year an independent auditor examines the lottery and financial matters under the supervision of the Office of the State Auditor. The lottery has received the highest opinion available every year of operation. Audit reports issued by the Office of the State Auditor can be obtained from the website, www.ncauditor.net. Also, parties may register on the website to receive automatic email notifications whenever reports of interest are issued. Otherwise, copies of audit reports may be obtained by contacting:

Office of the State Auditor
State of North Carolina
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