



A New Decade of Dreams.

North Carolina Education Lottery Report to the Public for Fiscal Year 2017, July 1, 2016 — June 30, 2017



Setting the stage for a new decade of dreams. Problem Gambling Helpline North Carolina POWER SALL POWERISAN PONTAG

In the year of transformation, the lottery:

* Raised \$622 million to support education programs in North Carolina. ★ Surpassed \$5.2 billion in earnings since inception. ★ Awarded 59 times a prize of \$1 million to lottery players, including one prize of \$10 million and two prizes of \$1,000 A Day for Life. ★ Averaged \$6.6 million a day in sales, \$4.2 million a day in prizes, and \$1.7 million a day raised for education. ★ Paid \$169.4 million in sales commission to retailers. ★ Collected \$10.2 million in state income taxes from prize winnings. ★ Collected from prize winnings \$8.4 million in debts owed to state and local governments. ★ Supported minority-owned businesses with \$7.7 million in contracts either from the NCEL or its vendors.

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Building a **Better Lottery.**

"As chairman of the N.C. State Lottery Commission, I'm pleased to report to you that in our most recent business year we delivered to the state a brand new lottery. After 10 years, we built a new and better lottery to serve our state during its next decade of service. We installed the latest and best technology to operate our gaming system. We provided new equipment terminals, vending machines and play centers to 6,800 retail locations across our state. This strategic investment provided to North Carolina the best lottery system currently available. With more effective and efficient lottery operations, we can

give the best service to all of the North Carolinians who enjoy playing our games and can continue our success in raising money for the good cause we serve, public education in North Carolina."

Courtney A. Crowder Commission Chairman Raleigh Owner, Crowder Consulting Co. Appointed by: Gov. Bev Perdue and reappointed and named Commission Chairman by Gov. Roy Cooper Terms: Nov. 6, 2012 - Aug. 31, 2017; Aug. 31, 2017 - Aug. 31, 2022

N.C. State Lottery Commission

The N.C. State Lottery Commission, consisting of nine highly accomplished and dedicated men and women appointed to serve the state of North Carolina, jointly oversee and help guide leadership in increasing sales and providing entertaining games to players. Commission members, who are appointed by either the Governor or the General Assembly, serve five-year terms and can only serve two successive terms. Unless otherwise noted, commission meetings are open to the public and held quarterly.



Douglas Baker Chapel Hill Entrepreneur in fields of life science, healthcare, and technology. Appointed by: Speaker of the House Thom Tillis Sept. 1, 2013 – Aug. 31, 2018

Amy Ellis

Raleigh

Certified Public Accountan

Appointed by:

Senate President

Pro Tem Phil Berger

Jan. 22, 2014 – Aug. 31, 2018



Keith Ballentine* Rocky Mount Vice president, Daughtridge Gas & Oil Co. Appointed by: Speaker of the House Thom Tillis Aug. 12, 2012 - Aug. 31, 2017



Raleigh Business Development, Samet Corporation Appointed by: Gov. Pat McCrory Sept. 1, 2016 - Aug 31, 2021



New Bern Owner, Morehead City Marlins and Bengel Sports Marketing and Consulting; managing partner/co-owner, Bengel Hospitality. Appointed by: Gov. Pat McCrory Sept. 1, 2016 - Aug. 31, 2021



Kim Griffin Jr.* Durham Realtor and President of Griffin Associates of Durham Appointed by: Gov. Pat McCrory Dec 8, 2015 - Aug 2017



Chris Shew Wilkesboro Wilkes County Appointed by: Gov. Pat McCrory Oct. 22, 2013 - Aug. 30, 2016; Aug. 30, 2016 - Aug. 31, 2021



Jody Tyson Snow Hill Managing partner, Taylor-Tyson Funeral Service Appointed by Senate President Pro Tem Phil Berger July 2, 2012 - Aug. 31, 2017; Aug. 31, 2017 - Aug. 31, 2022

Senior Management

Results driven, people-oriented leadership lay the foundation for another record-breaking year.

Reginald Barnes

Walter Ingram

Sales Development

Photo Credit: Christer Berg Photography

Sales West

Daniel Rose

Sales East

If you add up the years of experience at the top ranks of leadership at the lottery, it totals over 130 years of experience and work at three of the nation's other state lotteries.



Terri Avery Deputy Executive Director, Over 23 years of experience in lottery sales.

Directors

Sarah Hardin

Corporate and

Government Affairs

Marbet Cuthbert

Brand Management & Communications

Human Resources

Mike Suggs

Internal Audit

Van Denton

Advertising

Ben Bauman

Tami Wiggs

Marketing

Product Development

Communications

Susan Singley

Executive Director's



Tony Chung Deputy Executive Director MIS/Gaming Systems 34 years of experience in the information technology field.

Finance Administration

& Security

Stacy Askew

Administration

Joe Cosgriff

Management Information &

Joe Norman

Gaming Systems

George Walker

Gaming System

Finance

Security

Michelle Lassiter



Bill Jourdain Deputy Executive Director. Finance, Administration and Security Over 41 years of experience in the lottery industry.



Quan Kirk General Counsel Over 20 years of experience in the lottery industry.



Frank Suarez Deputy Executive Director. Brand Management and Communications Over 17 years of experience in the marketing and brand management field.

business of possibility.' The new brand, symbolized by a dream bubble logo displaying the beautiful landscape of our state, fits us well. It speaks to our core purpose, raising money for public education where dreams of our state's children can come true. Our lottery raised \$622 million to help support those dreams last year. And it speaks to the dreams of those who enjoy playing our games: a dream vacation, a dream home, a dream of college for their kids, or a dream of doing a good deed. The lottery awarded, on average, \$4.2 million a day in prizes last year. Whether it's a life-altering prize for a player or money raised for education, playing and supporting the Education Lottery creates a world of winning possibilities."

"As our new brand says, 'We're in the

*Alice Garland. **Executive Director**

* On March 31, 2018, Alice Garland retired after more than seven years as Michalko the third executive director as of April 1, 2018.



Photo Credit: Christer Berg Photography

^{*}In September of 2017, Tony Rand of Favetteville and Randy Jones of Pine Level replaced Keith Ballentine of Rocky Mount and Kim Griffin Jr. of Durham, Both Rand and Jones serve

A New Brand, A New Era.



The Dream Bubble represents the endless possibilities that are ignited when people play the lottery. Playing and supporting the North Carolina Education Lottery creates a world of winning possibilities for the entire state. Through the fun of play and the billions we raise for education, we provide the fuel for our most important dreams.

A period of growth and renewed strength.

Fiscal year 2017 was the year of transformation, marking a period of growth and renewed strength for the Education Lottery.

To keep up with the pace of change and to ensure our contribution to public education in North Carolina continues, we modernized our services and modernized our brand. We expanded our product, implemented new technologies, and created stronger relationships with stakeholders. We are now better positioned to reach new heights in sales and earnings for education.

Our rebranding effort went much deeper than a visual facelift. We transformed our strategic and operational business models. We redefined our focus on operating responsibly and renewed our commitment to serving North Carolina. But this new brand was not an overnight revolution. It was an evolution that had been in the works since the first ticket was sold in 2006.

This new brand captures the essence of the lottery being in the business of possibilities, offering joy and thrill to winners of prizes and raising money for education that helps to fulfill the dreams of students and educators. It reflects an organization that is more focused, more efficient, more responsible, and better equipped for long-term growth.

The FY 17 Report to the Public complements our transformation and highlights our recommitment to North Carolina – setting the stage for a new decade of dreams.



The new logo kept the familiar mountains to the sea scene, graced with a shooting star, but evolved into a dreamy look. The star is a nod to the state flag as well as to the hopes and dreams that come from playing the lottery. The mountains and ocean represent the diverse and beautiful landscape our state is known for.

Fun of play fuels the state.

The power of innovation and tremendous efforts to transform the lottery this fiscal year laid the groundwork for another record-breaking year in sales. For a second year in a row, ticket sales topped \$2 billion, marking the lottery as one of the most successful sales organizations in the state.

It's clear from those sales that North Carolinians enjoy playing the lottery. Did you know \$0.95 of every dollar spent on a lottery ticket comes back to the state? Whether it's a prize big or small, a lift to local businesses or support for education, every ticket makes a difference for our state's future. Here is how that breaks down, from the largest expense to the smallest:

Prizes - 63% Games and prizes make for a lot of fun. Without the fun of prizes, North Carolinians wouldn't enjoy playing the lottery. So it's no surprise that prize money makes up the largest operating expense that the lottery has. About 63 percent of revenue from the sale of lottery tickets go back to players as prizes. Big winners tell us they plan to use the prize money to do things such as pay off their mortgage, make home improvements, or buy a new home.

Return to Education - 26% The fun of prizes fuels the sales. And the sales produce the profits that go to a good cause. One hundred percent of lottery profits go towards supporting education programs identified by the legislature. Last year, earnings for education were about 26 percent of lottery revenue. That's an extra \$622 million for education and almost twice as much than in FY 2007.

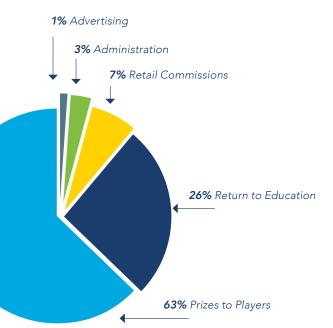
Commissions - 7% The lottery paid out \$170.6 million in sales commissions and retailer incentives to 6,863 retailers — big and small — like Walmart, Sheetz, and Food Lion, some of the most well-known retail brands in the state. Those commissions can be used to pay or hire employees or make other improvements in the business.

Administrative Expenses - 3% Administrative expenses are a combination of employee salaries and benefits, gaming system services, and infrastructure. The lottery is an effective and efficient sales organization. Less than one percent of revenue was spent on employee salaries and benefits last year.

Advertising - 1% Advertising is important and essential to meet our mission in raising money for education. Just like brands need to advertise their products or services, the lottery needs to advertise to increase return to education. Less than one percent of lottery revenue is spent on advertising.

Distribution of Lottery Revenue

Official audited numbers



\$622 million raised for education last year, averaging \$1.7 million for education each day.

9

We're in the business of possibility.



Got a winner

What does it mean when we say in the business of possibilities? When North Carolinians are asked why they play the lottery, they say over and over again it's the fun of thinking what they would do if they win a big prize. The possibilities are endless. That's what lottery games and prizes, the products that the lottery makes, offer to its players. They offer a chance to dream a little. And last year, the lottery awarded the most prizes ever, totaling \$1.54 billion. That's an average of \$4.2 million in prizes every day.

New technology, more fun.

All of the lottery games now operate on the newest technology available after the lottery completed a conversion to a brand new operating system. The new system provided the new technical infrastructure that support games and payment of prizes, new vending machines with touch screens, ticket checkers for lottery players in all locations, and new play centers.

The new system allows the lottery to provide more engaging and fun games for players.

Winning possibilities.

Some people prefer the thrill of a scratch-off, while others prefer the anticipation of a draw game. No matter your preference – we've got you covered. The lottery offers prizes in three multi-state games, three draw games played only in North Carolina, and at any one time a portfolio of 50 or more scratch-off games.







Delivering additional joy and thrills

More chances to win, more fun. The fun doesn't stop for players after they scratch their ticket. Each month we give members of our Player's Club additional opportunities to win. Who doesn't like that?

Players can enter tickets to get Lucke-Reward points and use those points to make entries into weekly and monthly drawings for a chance to win cash and prizes. Players can also enter tickets into second-chance drawings to win experiences that last a lifetime.

It really is as every bit as fun as it sounds. Check out some VIP experiences offered to members of our Player's Club last year.



Carolina Panthers Second-Chance Drawing Pamela Jamison, Dallas

Pamela Jamison of Dallas said she felt like she had scored a touchdown after winning a pair of Panthers season tickets for 20 years. This once-in-a-lifetime prize was part of the state's first Carolina Panthers ticket.

"It's a once in a

Generating more excitement.

promotion every other month.

Pick 3 Prize Doubler

Pick 3 Double Draw

Pick 4 More Money Mondays

January players won an additional \$91,025.

March and players won an additional \$1,038,402.

How do we generate more excitement? More prizes and more chances to win. One way we do

that is with our promotions. Last year we had seven draw game promotions. That's at least one

Double the prizes, double the fun. Pick 3 players had the chance to win double cash every night of the week. When the Green Ball was drawn, players with winning tickets for the draw

win double the normal prize. The ball was drawn five times, and players won an additional

Mondays mean more money for Pick 4 winners. Thanks to the Pick 4 More Money Mondays, in

Red Ball means double draw. Pick 3 players had even more chances to win in March because

The best part? Players get paid on both set of numbers. The Red Ball was drawn six times in

of the Pick 3 Double Draw promotion. If the Red Ball was drawn, a second draw will take place.



ifetime opportunity.**"**



"It was a blast."

NCEL 200 NASCAR VIP Experience Lucy Shaffer, Candler (Grand Marshal) Billy Myers, Elkin (Honorary Starter)

The lucky winners, accompanied by family and friends, got a behind-the-scenes look at all the action. They toured Pit Row, attended the Driver and Crew Chief meeting, shook the hands of NASCAR drivers, and watched the race in the exclusive Pit Suites.

Warehouse Dash II Second-Chance Drawing Dianna Parker, Columbia

Ninety seconds of "heart wrenching excitement." That's how Dianna Parker of Columbia describes running through the aisles of a merchandise warehouse in Chicago. Parker was one of ten lottery players to win the Warehouse Dash II second-chance drawing.

Reaching new milestones ...



July 15 Executive Director, Alice Garland, becomes first gaming industry professional to receive top advocacy award from National Council on Problem Gambling

July

July 8





Mega Millions jackpot hits \$536 million, third largest in game's history.

August 2

ticket goes on sale, offering oncein-a-lifetime second-chance prize of 20 years of free season tickets.

September

First Carolina Panthers scratch-off

November 6

First player in North Carolina wins the top prize of \$1,000 A Day For Life in the \$2 Lucky For Life game. Since tickets went on sale in North Carolina a little over two years ago, two players have won the game's top prize and 16 players have won the second prize of \$25,000 A Year For Life.

NC Education

September 29

Lottery rebrands and unveils new logo symbolizing our new brand. The brand evolution coincides with upgrades to state-of-the-

industry technology that delivers enhanced consumer experiences

October

in stores and online.

Lottery



November

December 6

Second \$30 instant game. Extreme Millions, goes on sale, offering four top prizes of \$10 million.

December

January

"I couldn't believe

it was me!" - Pamela Jamison



February

February 1

A truck-stop cook from Dallas, N.C., wins 20 years of season tickets for Carolina Panthers games in second-chance drawing.



March 26

New technology, enhanced experiences. Lottery completes installation of new gaming and instant ticket systems, helping to provide a brand new lottery to North Carolina players and retailers.



June 3

One ticket wins record \$1.7 million Carolina Cash 5 jackpot. An extended family of 17 claims the prize.



June 6

Lottery opens new headquarters at 2728 Capital Blvd., Raleigh

lune

May

April

March



New monthly sales records set for Carolina Pick 3 game and instant games.



April 7

A little over 11 years after the first ticket went on sale, earnings for education topped the \$5 billion mark.



June 30

New sales record is set at \$2.42 billion in sales, continuing a streak of 11 years of record sales. Raises \$622 million for education.





Dennis Powell • \$4 MILLION

"Yee-haw! Great God Almighty," Dennis Powell of Salisbury said after winning a \$4 million lottery prize The automotive dealership owner knew exactly how to celebrate a dream come true. He and his wife are going to the World Series of Poker Championship in Las Vegas.



Manalle Earnhardt \$1,000 A DAY FOR LIFE

"I don't have to worry about retirement now," said Manalle Earnhardt of Salisbury, an E.R. nurse for the VA Medical Center, who will get \$365,000 a year for the rest of her life. "I don't have to worry about college for my wo boys, or all of these other things. It's nice to know it's

Justin Keitt \$1 MILLION

tore to grab an ICEE turned into a cool scratch-off ticket. He plans on using his prize money to start a wedding venue business and buy equipment for his go-cart racing, eight-year-old daughter

\$1,000,000 Instant Ticket Winner

"I am glad I can help her with this," Keitt said of his big win. "She's a great racer."

We deliver joy and thrill across the entire state of North Carolina.

A year of big wins and big dreams.

Every prize, whether big or small, ignites the power to dream. And this past year, lottery games were full of big prizes and surprises and winners full of big dreams and smiles.

What do a nurse, a mailman, and a hairdresser all have in common? They each won life-changing prizes playing the lottery last year. Fifty-nine people won prizes of \$1 million or more. That averages to almost five \$1 million wins every month. Check out some of last year's biggest winners.



Record Cash 5 Jackpot \$1,701,811 Win

A tradition of playing the lottery together at family gatherings led to 17 people winning a record Cash 5 jackpot of \$1,701,811. The seventeen winners, whose families settled in North Carolina from parts of Laos and Vietnam, call themselves Hmong and include brothers, sisters, and cousins. One of the winners plans to use his share of the prize to help pay for school. He's going to UNC Charlotte and plans to major in biology.

"It's a lot of weight off my shoulders," Kong Hmoov Brandon Lor of Hickory said. "It's hard to work and go to school at the same time. It's a great relief."



Gregory Errthum Powerball \$150,000 Win

"My dream is to live life a little more comfortably," said Gregory Errthum of Denver upon being presented with his big check. The 22-year paper industry worker, who won \$150,000 playing Powerball, said he is excited to have a break from worrying.

"I've been working long days my whole life, taking care of two children, three stepchildren, and grandchildren. This just feels so good."

Our winners come from across the state and all walks of life, but they all have one thing in common a dream.



Lisa Williard Won Cash 5 Jackpot twice \$355,141 Win

"2017 debt free is our new motto," Lisa Williard of Harmony said upon claiming her second Cash 5 jackpot. Her first win came in 2008, when she won \$363,041. Her second one scored her a third of a \$1,065,423 jackpot.

"I started shaking. I just can't believe it!"







Players win an average of \$4.2 million every day in prizes.

Not every win can be in the millions. But when you play the lottery, every win is thrilling and full of excitement

Just check out these big smiles!





And help give back millions to education each day.

"Getting financial assistance from the lottery definitely helped me pursue my education. It opened up opportunities for me to get those interviews and prove myself in those interviews so I could get the job."

> Susan Parrish, Bachelor of Science in Management of Information Systems, University of Mount Olive

Over \$5.2 billion

FY 2007 - FY 2017

raised for education.

When you play the lottery, you aren't just getting a chance to win big, you're helping students and schools across the state. That lottery ticket is helping Pre-K students get a strong start, building the foundations for the future, providing learning for a lifetime, and contributing to schools' needs.

Because you played, last year we were able to contribute \$622 million to education. That averages \$1.7 million raised for education each day or over \$19 raised for education every second. While these funds represent only a small portion of the state's overall education budget, the positive impact is felt in communities from the Crystal Coast to the Blue Ridge Mountains.

Getting a Strong Start

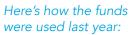
Being ready to learn helps kids get the most out of school. The N.C. Pre-K program serves four-year-old children who are at risk of falling behind their peers as they prepare for kindergarten. Thanks to lottery funds, 14,509 children across the state were provided a free, academic pre-school experience last year.

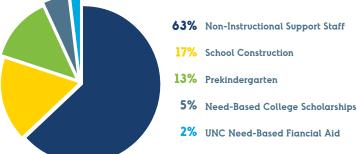
Providing for Schools' Needs

It takes a team to make a school work. Last year more than \$370 million in lottery funds were made available to support the operations of public and charter schools, including the costs of support staff such as office assistants, custodians and substitute teachers.

Learning for a Lifetime

Lottery funds provide scholarships based on financial need to help students attend a state university or community college. Last year, 27,875 students in our state received scholarships. A second way that the lottery helps make college affordable is through the UNC Need-Based Grant Program. Last year, 49,941 students received grants.





Source: Fiscal Research Division of the N.C. General Assembly

Students need space to learn. One of the most highly visible programs the lottery supports is school construction and repair. And last year, local school districts received a total of \$100 million in lottery funds to help meet needs that otherwise would have to be paid for by alternative means, such as property taxes. Local officials decide the best use of the construction funds they receive. Here's a way to see how money flows into projects across the state County Source: N.C. Department of Public Instruction \$1.500.00 Updated as of May 30, 2018 New Mt. Pleasan Middle Schoo **Currituck County** Construction design and land \$214,077 Moycok Middle, Griggs Elementary, Currituck County High nergy management Person County \$860,000 \$105,272 County Nesbitt Discovery Northern Middle \$302.575 School Phase IV renovations Interior painting HVAC repla All schools in county **Cherokee County** Ipdated camera system \$242.055 **Alamance County** for building security Various schools in county \$453.687 Career Tech Center Debt service **New Hanover** County \$106.689 New Hanover High School Replacement of asbestos From Cherokee to Currituck, and all across the state. floor tile in Brogden Hall lottery dollars help provide the foundations for success.

Foundations for Success

We are among the lucky few who get to change lives.



Education is our mission and the good cause we serve. As we accomplish that mission, we also want to be a responsible corporate citizen of our state. This past year we developed a systematic corporate social responsibility program, marking a period of transformation and a recommitment to strengthening North Carolina.

Our four pillars of corporate social responsibility bring our purpose to life, helping to remind us that every decision has an impact. These pillars represent the areas that are most important to our stakeholders.



Maintaining Transparency

The only way we can continue to grow and uphold the mission of raising money for education is through public trust. Every year we publish our corporate financial reports. As a testament to our success in this area, independent auditors conducting the annual financial audit have issued a "clean opinion" - the highest review possible – every year so far. The lottery has also received the Certificate of Achievement for Excellence in Financial Reporting bestowed by the Government Finance Officers Association ten times. Last year, the lottery:

- Conducted research and answered over 40 formal public information requests from state and national inquiries.
- Responded to 279 media requests.
- Shared news and information with the public through 265 media releases and advisories to media across the state.



Engaging Stakeholders

Through our improved stakeholder engagement program, we are creating a positive, transparent environment where stakeholders are informed of day-to-day

operations and feel comfortable with voicing concerns and asking questions. Last year, the lottery:

- Created the first stakeholder advisory panel, consisting of a representative from every primary stakeholder group.
- Conducted 13 community and civic talks across the state.
- Engaged with our online Player's Club of over 830,000 members, writing over 215 blogs and answering thousands of player questions on our blog and social media platforms.







Our job is to provide fun and entertaining games, to ensure they are operated fairly, and to protect the interest of those who choose to play them.

Our responsible gaming program centers around the education, encouragement, and empowerment of our players. Educating players on how our games work and how to play them, encouraging lottery play in a sensible and responsible way, and empowering players to stay informed and be in control of their play. Last year, the lottery:



- Established the first responsible gaming committee, consisting of a representative from every department.
- Developed a more robust responsible gaming action plan, identifying measurable goals and objectives.
- Prepared for the submission of the World Lottery Association's Level 4 certification, the highest level of international achievement in responsible gaming.

During the holiday season, lottery employees came together and donated toys, clothes, and other items to help make the holiday season a little brighter for children in our state.

Volunteer Initiatives

Lottery employees give back. Last year, employees volunteered their time, collected donations, and gave back to the community in 10 lottery-sponsored events. From blood drives and book drives to volunteering as classroom buddies for pre-school students, we're helping to build a stronger North Carolina.

Lottery employees took time out of their workday to donate blood to help save a life. Over the course of the year, the lottery hosted four on-site blood drives and collected over 86 units of blood.





Community Sponsorships

While we work to strengthen our relationship with individual stakeholders, we also work to support the communities where we do business. The lottery is always looking for new ways to engage with stakeholders, share news on the good cause the lottery serves, and listen to feedback. To help meet this goal, last year the lottery:

- Participated in 14 community events across the state.
- Sponsored 16 professional sporting teams across the state.
- Sponsored 14 collegiate sport programs in North Carolina.



The lottery got to taste some of the best barbeque in the world while supporting local communities at the NC Barbecue Festival in Lexington last year.

Celebrating Education.



For the fourth year in a row, earnings for education topped half a billion dollars. And while that's certainly something to celebrate, we realize it's not just about what we do, but how we do it.

Every day we celebrate education. We celebrate education by meeting our mission of raising money for education and the dreams it makes possible for students in

Creating "Proud Moments" in Education

Each year the lottery helps create countless proud moments in education across the state. To celebrate these moments, we asked parents, teachers, and students to tell us what their proud educational moment was. We chose ten winners and awarded them each \$20,000. Here's a look at some of their inspiring stories:

Skyler spearheaded a campaign to raise money to repair broken equipment on his school's playground. He donated half of the prize money to help the school reach its fund-raising goal.

Heather underwent brain surgery and overcame severe health challenges to graduate high school on time. She's now attending community college to fulfill her dream of becoming a teacher.

"I look up to my teachers and how hard they work. I want to inspire people to learn as well. Heather Watkins,



When Jeffrey turned nine, instead of asking for birthday presents, he asked for books to give to his school's library. He collected 31 new books for the school.

"This proud moment furthers our school's love for reading and education as well as creates inspiration for others."

Patrick Vincent,

\$20,000



Saying thanks to teachers.

The lottery celebrates education by celebrating some of our state's best – public school teachers.

As part of our partnership, each week our four draw stations across the state share a feature on an inspiring teacher in their region. The stories put a spotlight on some of the great teachers in our state and the work they do to help our children succeed in school. But the program is also a way to show appreciation to teachers all during the school year for their work and dedication.

> "I'm proud to work for an organization that has heart and encourages employee to give back to the community."

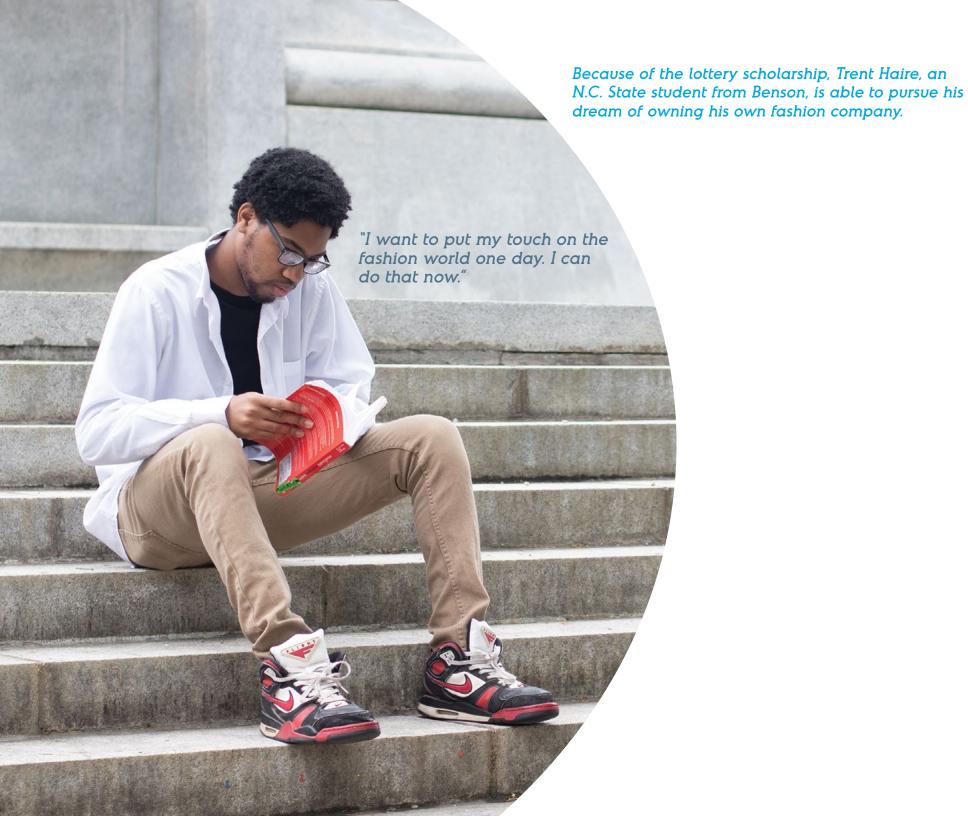
- Raquel Rivera, Volunteer Committee

Supporting education through acts of service.

The lottery's renewed commitment to North Carolina inspired the volunteer committee to pursue partnerships with organizations and causes that align with the lottery's mission - public education. This year, the volunteer committee established a true mission statement of supporting education programs statewide, seeking to not only be a leader in funding education, but in enriching education programs in local communities.

The lottery collected books for children for WAKE Up and Read to help increase access to literacy resources and opportunities for all children.







The Report to the Public is a new way to share information with our stakeholders – that's you! We hope you found this report to be helpful.

We know the only way we can continue to uphold our mission of raising money for education and to grow responsibly is with public trust. As part of our commitment to North Carolina, we publish and share our corporate reports. To view the lottery's financial statements detailed in the Comprehensive Financial Annual Report and the overview of the lottery's financial condition detailed in the Popular Financial Report, please visit nclottery.com/CorporateSocialResponsibility_Integrity. To see a breakdown of where the money goes in your county, please visit: nclottery.com/Education.

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 web site at www.ncauditor.net. Also, parties may register on the web site to receive automatic email notification whenever reports of interest are issued. Otherwise, copies of audit reports may be obtained by contacting the:

Office of the State Auditor State of North Carolina

2 South Salisbury Street 20601 Mail Service Center Raleigh, NC 27699-0601

Telephone: 919.807.7500 | Facsimile: 919.807.7647



2728 Capital Blvd., Suite 144, Raleigh, NC 27604 919.301.3300 | nclottery.com

