

 **NC Education Lottery**
2023 REPORT TO THE PUBLIC



A BILLION DOLLAR YEAR

A RECORD WIN FOR EDUCATION



We're in the
business
of possibility.

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

And we help give
back millions
to education
every single day.

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



Billion dollar year produces record win for education

Here at the N.C. Education Lottery, we're proud to report the achievement of a major new milestone – our first \$1 billion year for public education.

That's right. All the play and support that the lottery received in the last year set a new record for what the lottery can achieve in its mission of raising money for education.

Milestones mark significant achievements. We have two others to share:

Lottery FY23 Achievements

\$4.3 billion

in ticket sales, the first time that sales ever crossed the \$4 billion mark in a single year.



\$10 billion

raised for our state's public education since the start of the lottery. The lottery passed that milestone in April.



Crossing those milestones represents a lot more than numbers.

The dollars raised by the lottery flow to education programs in all 100 counties of our state. They create possibilities for students attending our public schools to be the best they can be.

In this year's Report to the Public, you can see stories of what those dollars make possible.

- See how **new schools** in Cherokee County in the west and Wilson County in the east, both built with the help of lottery funds, help bring out the best in students there.
- Learn how a **school custodian** in Warren County not only keeps his school clean and safe, but serves an invaluable role in encouraging students to do their best.
- Follow an **Appalachian State University grad** to New York City. After getting his degree with the help of an Education Lottery Scholarship, he is now chasing his professional dreams.
- Read how a **Charlotte Pre-K teacher** positively impacts the educational trajectory of her students as well as provides resources for their families.

The stories illustrate why we like to say the lottery is in the business of possibility.

Milestones, such as a billion dollar year, help you to mark your progress. The lottery remains committed to its mission of raising money for a great cause in North Carolina. We hope to set new records on behalf of our state in the year to come.

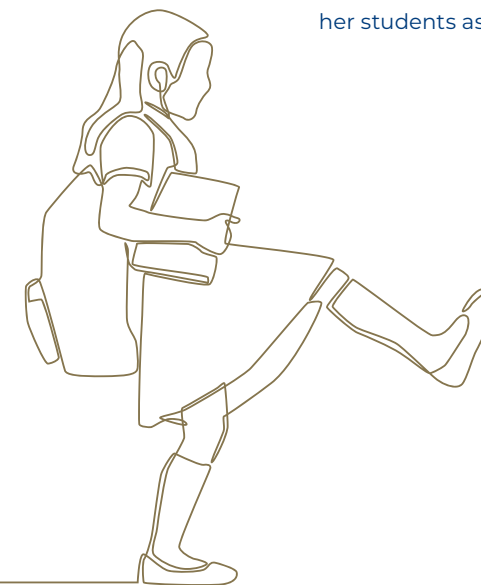
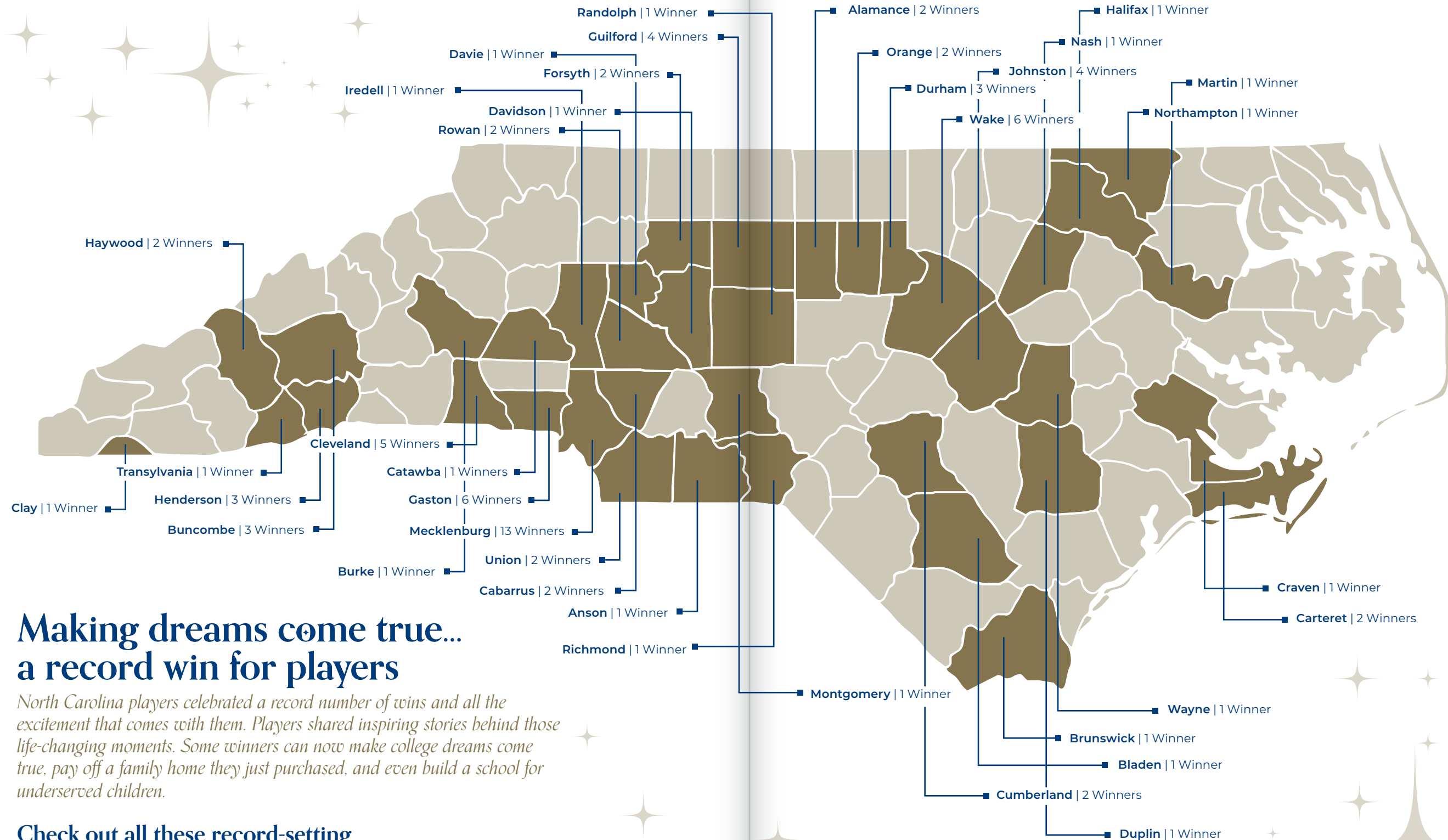


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Making dreams come true... a record win for players

North Carolina players celebrated a record number of wins and all the excitement that comes with them. Players shared inspiring stories behind those life-changing moments. Some winners can now make college dreams come true, pay off a family home they just purchased, and even build a school for underserved children.

Check out all these record-setting highlights from last year:

- † **\$2.86 billion** in total prizes.
- † **\$7.8 million in prizes won a day**, on average.
- † **91 wins** of \$1 million or more.
- † **374 wins** of \$100,000 or more.
- † **73 different counties** with at least one \$100,000 or more winner.

Million Dollar Wins

Big prizes make big dreams come true. A win of \$1 million or more occurred 91 times with the wins popping up all across the state.

Memorable wins:

- **Rosa Lilly of Mount Gilead** had a chance to spin a giant prize wheel at the Bigger \$pin Live Event and she landed on a \$2 million prize, the top prize offered in the event. Lilly, a 67-year-old retired certified nursing assistant, became the first \$2 million winner in the history of the Bigger \$pin Live Event. "I'm so excited right now," Lilly said, "I just feel great."
- For **Brenda Gomez Hernandez of Concord**, Nov. 9 will be a day she will never forget as, just hours after she went into labor and delivered a baby girl, a Powerball ticket delivered her a \$100,000 prize. "I feel like she brought me my luck," Hernandez said. "I'm so thankful."
- A North Carolina man, **Gary Krigbaum of Spindale**, rang in 2023 by becoming the Powerball First Millionaire of the Year and winning \$1 million. **Krigbaum's daughter, Sarah Day** (pictured right), traveled to New York City to represent him at the event in Times Square. "Dad, Dad, I'm bringing home a million dollars," Day shouted to her father on the ABC broadcast after she won.
- For **Souleymane Sana, a New Bern resident** and native of Mali, Africa, a \$100,000 scratch-off win will give him the chance to help school children from his hometown. "I'm going to keep doing my best to help build more classrooms for the children in Mali," he said. "That is the thing that makes me really happy."
- After celebrating a \$1 million lottery win in July of 2021, **Pharris Frank of Advance** recently doubled his previous prize by winning \$2 million on a \$20 scratch-off. "I called my wife and told her, 'I did it again,'" Frank, a 41-year-old construction worker, laughed.
- One week after closing on a house for the first time, **Patricia Simmons of Greensboro** bought a scratch-off ticket and received the ultimate housewarming gift: a \$1 million lottery win. Simmons, an in-home aide, said that as a first-time homeowner she initially had concerns about paying a mortgage every month but now her \$1 million win will help pay for her new house.
- A lifelong joy of playing bingo led **Katherine Robinson of Apex** to buy a Big Bucks Bingo ticket, resulting in a \$162,826 Fast Play jackpot win. She won the prize a day before her 68th birthday. "What a great birthday present," Robinson, a retired middle school teacher, said.





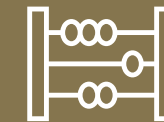
Providing a strong start in school ... a win for preschoolers

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, 13,449 children across the state received a free, academic pre-school experience last year.

How the lottery helps fund North Carolina Pre-K students:

\$78 million

amount of lottery funds allocated for NC Pre-K



13,449

number of four-year-olds who received free academic preschool from those monies.



45%

the lottery's part of the \$173.6 million investment in the NC Pre-K Program



**Alliance Center for Education
Charlotte, North Carolina**



"They are fresh to the world. They are learning and experiencing new things. ... This is what we are teaching children - perseverance, flexibility. It is preparing them for the 21st century."

- Adrienne Baker, Pre-K teacher, Alliance Center for Education, Mecklenburg County



"Oh, it warms my heart, from the beginning when they first start to seeing them go to kindergarten...the improvement and the growth. That is why I have been working with kids my whole life because it just puts a smile on my face."

- Shaunte Rivera, Director, Alliance Center for Education, Mecklenburg County

Making college more affordable ... a win for college students

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 Education Lottery Scholarships and grants are awarded based on financial need. Students just need to complete their annual FAFSA form in order to be eligible. The \$44 million in scholarships and grants awarded last year helped make thousands of education dreams come true.

How the lottery helps pay for college:



25,907

Scholarships were awarded last year (\$33.2 million)

Scholarships go to students at state universities and community colleges.



43,596

Grants were awarded last year (\$10.7 million of the total)

Financial-aid grants are awarded to students attending one of the UNC universities.



Gryffin Winkler got to go to Appalachian State University to pursue a Bachelor's in English Literature without the stress of worrying about how he was going to pay for school.

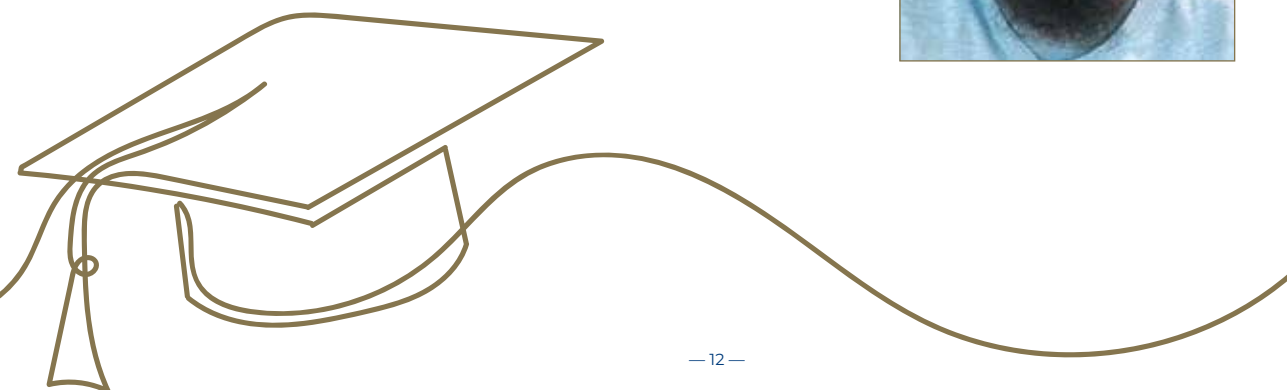
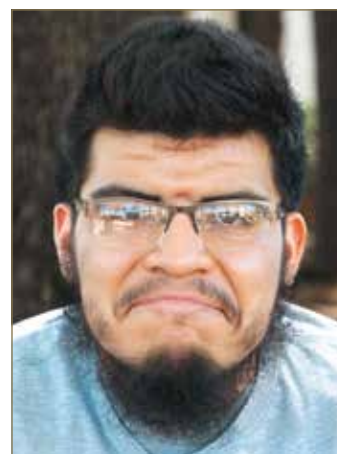
“My Education Lottery Scholarship helped pay for school,” said Winkler. “It definitely helped relieve the stress. Most of my friends had to take on loans. I was very happy about graduating debt free. I don't have to worry about paying off student loans.”

Winkler graduated in May of 2021 and moved to New York that summer to start the first job of his career – a trajectory that leads toward his dream job of becoming a book editor someday.

Luis Tapia was very relieved to learn he received an Education

Lottery Scholarship. Tapia, enrolled at Wake Technical Community College, is working to earn his associate's degree. He plans to enroll at North Carolina State University to study accounting.

“I am working right now, just to have a little bit of extra cash” said Tapia. “But that lottery scholarship has helped me tremendously. I don't have to stress over working more than I have to during the week and just focus on my classes.”



Supporting schools ... a win for school staff

We've heard it a million times that to raise a child, it takes a village. And in our schools that village looks like the substitute teachers, custodians, and office assistants who help make schools run.

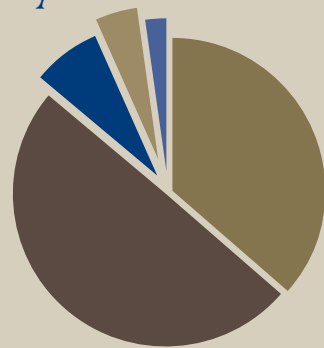
A large portion of the money raised by the lottery supports public schools all across the state. Much of that money covers salaries of school staff. Some of the money also goes to help cover the costs of school transportation to get students to and from school every day.



Education Programs Supported by the Lottery

Here's how lottery funds were distributed in school year 2022-23:

- 37.9% School Staff
- 47.9% School Construction
- 7.7% NC Pre-K
- 4.3% College Scholarships & Grants
- 2.1% School Transportation



"Before you even get to the teacher or principal, there are two or three levels of staff that you see that are making that student's day important. Helping them bring smiles, bring joy. It helps to set their day so that they are prepared to go to the classroom."

*- Keith Sulton,
Warren County Superintendent*



John Hargrove grew up in Warren County. On top of his 18-year tenure at Warren County High School, he's proud to be a graduate too.

"I went to school here 39 years ago," said Hargrove. "The school opened in 1982; I graduated in 1984. Now I'm back in the same hallways again. Full circle, and I love it!"

But that's not what makes him so special. Hargrove likes to say he has upwards of 300 kids because he does more than just show up to work everyday and perform his duties as head custodian. He has a reputation among the students for being good natured, kind hearted, and encouraging.

When asked what the best part of his day is, he answered, "Greeting the kids every day. Making sure the building is clean for them to come in and do what they need to do."

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 nclottery.com.
- ▶ Pick up a brochure at lottery play centers wherever lottery tickets are sold.



Building new schools... A record win for our communities

Education in North Carolina is changing and advancing all the time and so is the demand for schools to meet those challenges. Funding from the lottery helps to build new schools in communities that may not otherwise be able to afford them. The new schools prepare students for in-demand careers for their local economies. As the lottery continues to fund groundbreakings across North Carolina, it is reaching new heights on money raised for school construction and renovation. In FY23, \$487 million went to counties to help build new schools and repair and renovate older ones.



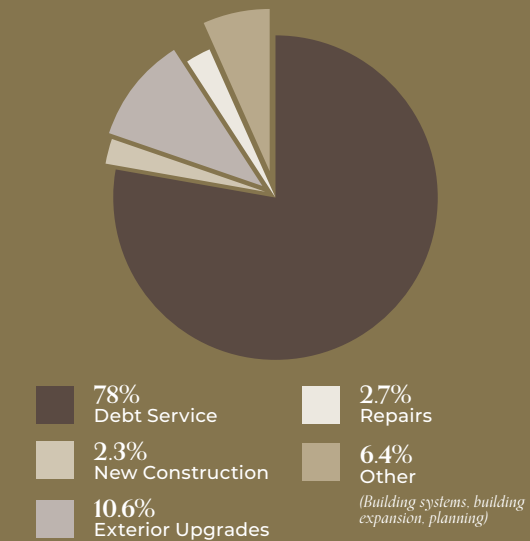
Bartlett Yancey Senior High School opened its doors last year after receiving a \$15 million Needs-Based Public School Building Capital Fund grant. Grants are awarded with money raised by the lottery to counties based on need to build new schools. This needs-based grant essentially cut the \$29 million price tag of this project in half.

3 Types of Lottery-Supported Funding

Public School Building Capital Fund

- Supports school construction and repair in all 100 counties
- \$100 million every year in fund
- Supported 235 construction and repair projects

How Funds Were Used:



Needs-Based Public School Capital Fund

- Provides grants of up to \$50 million
- Helps kickstart new construction projects in counties with critical building needs
- \$337 million in grants last year

Public School Repair & Renovation Fund

- Provides repair and renovation funds to each of the state's 100 counties
- \$50 million last year (\$500,000 to each county)



“Through the support of the lottery and through local government support, we were able to put them in a brand-new building and something that they are so proud of. They have the newest technology, great lighting, and they are just so excited about it.”

— Dr. Aaron Fleming,
Superintendent, Harnett County Schools

A record year for new schools popping up across North Carolina

Wilson Academy of Applied Technology (WAAT), Wilson County

The Wilson County School District wanted to provide its students the experience of learning in a state-of-the-art facility. A \$15 million needs-based grant initiated the construction of the Wilson Academy of Applied Technology (WAAT). This collaborative effort between Wilson County Schools, Wilson Community College, and local industry has created a campus complete with an advanced manufacturing lab and programs focusing on information technology, nurse aid, and criminal justice. "We look at what the local economy is asking for and then we work with the community college to develop pathways," David Lyndon said.



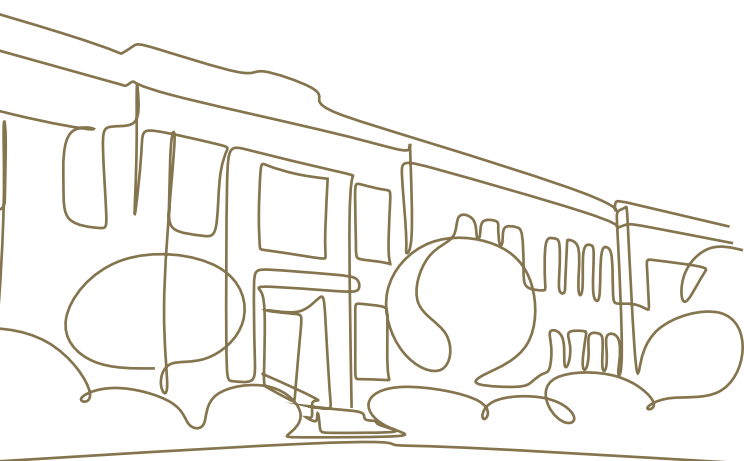
"It is the epitome of what public education facilities should be. It has everything we need. It was not built for today's standards, it was built for the standards 10-15 years into the future. ... To help fund this type of building, it means a lot to the students."

- David Lyndon, principal



"I didn't expect it to be this big and this beautiful. ... I will graduate with an associate's degree and 60 transferable credits."

- Nathan Willoughby, student



Cherokee County Schools of Innovation, Cherokee County

The Cherokee County Schools of Innovation offers its students the opportunity to explore many vocations from working with drones, carpentry, mechatronics, nursing, and public service. The goal is to provide an early college education that supports careers in Cherokee County and helps retain local talent. A \$15 million needs-based grant made the new school possible.



"I want to learn as much as I can about carpentry. I feel like this place is going to give me a lot of knowledge and allow me to be confident in my ability to learn."

- Ethan Skellon, student



"If we would not have received the grant money, we would not have been able to do this. ... The site would not exist without the grant money."

- Alissa Cheek, Director of Programming



"I am amazed at this building that you walk into and automatically you feel elevated. You are ready to create, ready to learn. This facility is able to offer students that education in order to come back to this community and support this community. And that is really what we want."

- Shannon Raper, Cherokee County School Board Chair

Playing Smart... a win for responsible gaming

The Play Smart™ program educates players on how to keep play fun and can benefit any North Carolinian, no matter their playing habits. The program raises awareness of positive play with materials in stores, on the website, through blogs, and social media posts.



Play Smart™: A record win for Player Engagement

To grow and evolve our program, the lottery offers fun ways through Lucke-Rewards to engage players and increase lottery literacy more than ever before. This past year, Lucke-Rewards offered eight opportunities for players to earn points while learning how to play smart:

- Player fallacies quiz
- Gift Smart quiz
- Gift Smart blog view and earn
- Play Smart blog view and earn
- Lottery myths quiz
- Keep play fun poll
- Game odds video view
- Play Smart™ survey

These activities engaged **140,999** participants.

Play Smart™ by the numbers:

	FY22	FY23	Percentage Increase
No of Play Smart™ website page visits	230,000	388,361	69%
No participants in View & Earn activities	39,899	140,999	253%
No Retailers trained on Responsible Gaming	1,100	1,130	2.73%

Play Smart™ term is a service mark of the Illinois Lottery licensed to the N.C. Education Lottery

Problem Gambling Program

The lottery continues its support of the N.C. Problem Gambling Program, contributing \$1 million a year for education, prevention and free treatment and counseling programs.



68% | Callers accepted treatment

Up from 26% last year



1,442 | students participated in Stacked Deck training

youth gambling prevention program

Stacked Deck – a win for education

Through the N.C. Problem Gambling program, the lottery works to prevent youth from gambling by funding Stacked Deck, the only evidence-based program that is effective in preventing and reducing the risk of problem gambling among teens. Middle and high school students and instructors:

- ▶ Address their knowledge, belief, and attitudes around gambling
- ▶ Participate in an outreach activity, role-playing, and case studies about gambling
- ▶ Share “family pages” to engage parents, guardians, and family members

Increasing gambling literacy in young North Carolinians and their families is a win for the whole state. Teachers across the state like Julie Hughes from Murphy and Robbie Rives from Mount Airy integrate the Stacked Deck curriculum into their other classes.

When teaching, instructors can see students absorbing the information about gambling and gambling behaviors.



Hughes: At first, they think it's fine— everyone does it. Then, I describe the feeling of 'oh, I'll get it next time,' and how there's so many people who can't control it. I think they all understand at the end. They go, 'oh, okay.' I give the students a list of who's most at risk. And the kids look around like, 'oh that could be us.'

The Stacked Deck curriculum allows students and teachers to connect their new understanding of gambling behaviors to their personal lives.



Rives: It makes them aware. Our kids gamble through video games, they actually didn't think of it as gambling. They'll send money through CashApp or Venmo and bet on Fortnite, Call of Duty, Madden, any type of sporting game. They're telling me they are going to stop doing that or spending their parent's money.

According to the 2023 report, Stacked Deck was found to be an effective prevention intervention for:

- ▶ Positively impacting knowledge, attitudes, and beliefs about problem gambling
- ▶ Decreasing known associated risk factors for problem gaming
- ▶ Supporting known resiliency factors amongst middle and high school aged youth

Supporting our stakeholders... a win for our communities

The lottery's partners and stakeholders have been key to helping raise \$1 billion for education. Throughout this record year, the lottery increased partnerships and engaged with more stakeholders at education conferences, community festivals, sports games, as well as through employees volunteering for and donating to community charities.



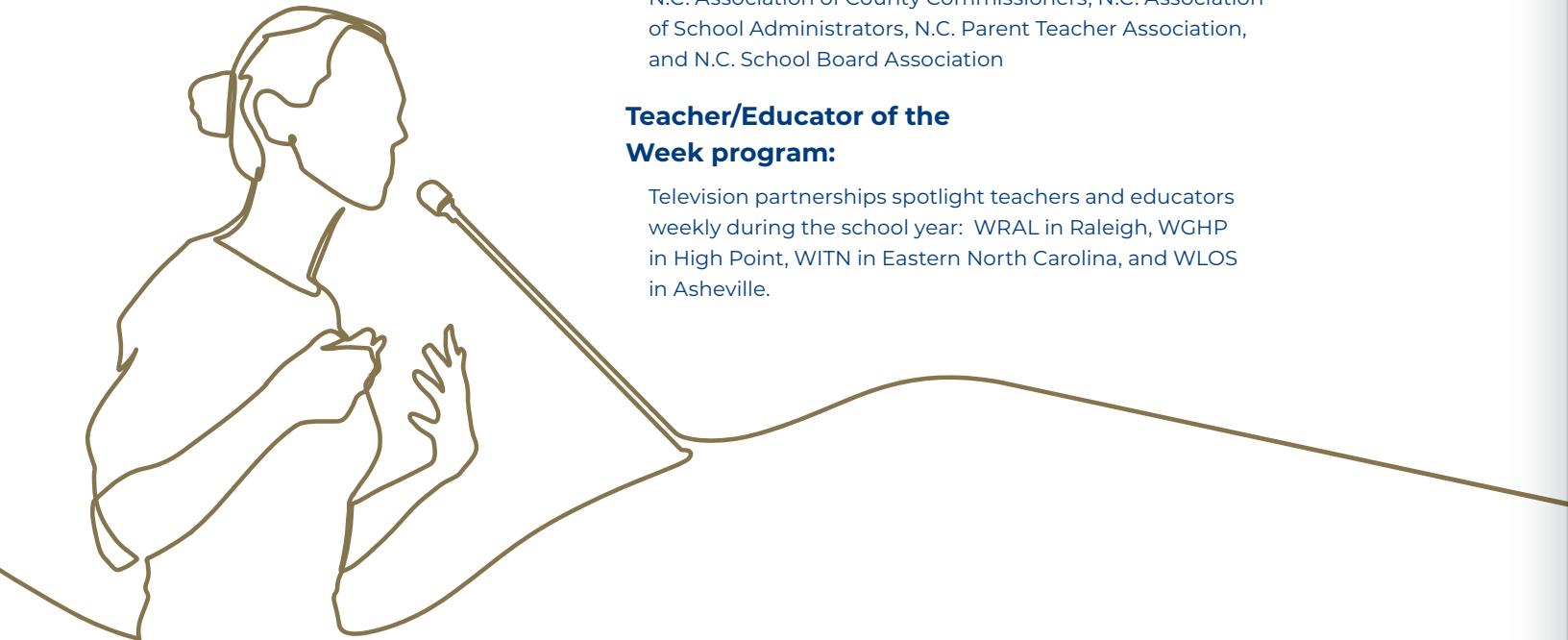
Partnerships are the key to achieving our record year.

Education groups and stakeholders:

N.C. Association of County Commissioners, N.C. Association of School Administrators, N.C. Parent Teacher Association, and N.C. School Board Association

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, Barbeque Festival in Lexington, Black Bear Festival in Plymouth, Blueberry Festival in Burgaw, Brewgaloo N.C. Craft Beer Festival in Raleigh, Fayetteville Dogwood Festival, Got to Be NC Festival in Raleigh, Historic Morganton Festival, HOLA Charlotte, IBMA World of Bluegrass in Raleigh, International Folk Festival in Fayetteville, MumFest in New Bern, Riverfest in Wilmington, N.C. Apple Festival in Hendersonville, N.C. Mountain State Fair in Fletcher, N.C. Pickle Festival in Mt Olive, N.C. Seafood Festival in Morehead City, N.C. Folk Fest in Greensboro, Taste of Charlotte.

Professional and collegiate sports teams:

Carolina Panthers, Carolina Hurricanes, Charlotte Hornets, Charlotte Football Club, Charlotte Checkers, Asheville Tourists, Charlotte Knights, Durham Bulls, Hickory Crawdads, Kannapolis Cannon Ballers, Winston-Salem Dash, Carolina Mudcats, Fayetteville Woodpeckers, Down East Wood Ducks, Greensboro Grasshoppers, UNC Chapel Hill, Duke University, North Carolina State University, Wake Forest University, East Carolina University, Appalachian State University, UNC Wilmington, UNC Asheville, UNC Charlotte, North Carolina Central University, Western Carolina University, Winston-Salem State University, UNC Pembroke, NASCAR races at the Charlotte Motor Speedway, and drag races zMax Dragway.



Nonprofits and charities:

Activate Good, Meals on Wheels, Walk To Defeat ALS Triangle, and State Employees Combined Campaign.



Diversity Champions



The lottery stepped up its diversity, equity and inclusion efforts internally and externally. It established the Diversity Champions, employees who advocate for increasing outreach to minority firms to compete for their departments' product and service contracts. In addition to sponsoring the Raleigh Chamber of Commerce's 2023 Diversity, Equity and Inclusion Conference, the lottery was a sponsor of the Power of Inclusion workshop organized by Triangle Diversity Equity & Inclusion Alliance.



Boosting the state's economy... a record win for retailers

For lottery retailers, every ticket sold in North Carolina is a winner. Fiscal year 2023 brought a record win in commissions with \$4.3 billion in ticket sales.

And when a customer across the counter takes home a prize, so does North Carolina as that money circulates back into economy. With more than 7,000 stores selling tickets in every corner of North Carolina, the lottery significantly impacts more than public education.

Lottery FY23 Retailer Stats:

\$4.3 billion



amount of retailer sales in the state for FY23

\$293.8 million



amount of retailer commissions in the state for FY23

\$1.39 million

amount of retailer incentives paid out in the state for FY23

\$7.5 million



total amount of sales for top retail store in the state for FY23



Ann Lomison works as a manager at the Eagles Express in Knightdale. Her store did more than \$4 million in lottery sales last year, ranking in the top 10 in the state. She spoke about the importance of introducing lottery sales to her store.

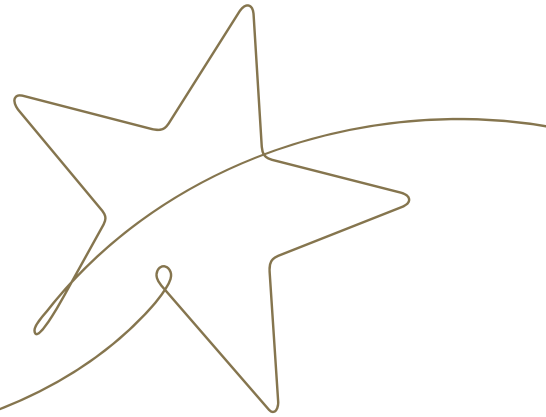
"That is what put us on the map. It does make a big percentage of our sales so, we always like the lottery. We do really well on the lottery."



Lomison said lottery sales continue to grow for her store.

"It has raised up every single year. We have really built every year. And we do \$300,000 a month so it keeps going up."

Excelling on all fronts... a record win for North Carolina



Awards and Achievements:

1. **N.C. Foundation for Public School Children** honored the lottery as a "Champion for Children".
2. **The Lottery Link newsletter** for lottery retailers received the Corporate Newsletter Award from the National Council on Problem Gambling.
3. **Terri Avery**, deputy executive director for sales received a Powers Award from the North American Association of State and Provincial Lotteries for significant leadership and achievement in sales.
4. **North Carolina Education Lottery** became the sixth U.S. Lottery to achieve the WLA Security Control Standard Level 1, demonstrating that it has established practices to ensure an effective security management structure by which a lottery may maintain the integrity, availability, and confidentiality of information vital to its secure operation.
5. **WGHP of High Point** honored the lottery with a glass apple award at its luncheon celebrating all of the "Educators of the Week".

A Message from Lottery Leadership



"I could not be more proud to announce that the North Carolina Education Lottery, for the first time, has raised a record \$1 billion for education in a single fiscal year. This past April, we surpassed the milestone of \$10 billion raised for our state's public education since the lottery's inception. These lottery monies touch all parts of the school day as well as all stages of public education from Pre-K to college. Lottery funds support transporting our children to and from school safely and for the staff that keep the schools running. They create the opportunity for at-risk four-year-olds to attend an academic pre-school that wouldn't happen otherwise. They make college more affordable. The record \$1 billion means millions more in state grants will go to help build new schools our communities need so badly. We celebrate reaching this milestone and look forward to setting new records on behalf of our state in the years to come."

— **Mark Michalko**
Executive Director, N.C. Education Lottery



"The North Carolina Education Lottery is one of the few state lotteries to reach \$4 billion in sales in one year, as we did this year, and is the only state lottery to increase sales every year of its operation. This year our lottery hit another important mark - \$10 billion raised for education since we opened for business 17 years ago. Year after year, the lottery's staff continues to create games and promotions for North Carolinians to enjoy while supporting a great cause. The North Carolina Education Lottery's commitment to operating responsibly sits at the heart of everything it does - from the innovation in designing and advertising games to the development of tools to help folks be in control of their play. This year's results demonstrate again that North Carolina can depend on the lottery to do the important work of raising additional funds for public education in a responsible way."

— **Ripley Rand**
of Raleigh,
Chair, N.C. 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



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.

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