

North Carolina Education Lottery Factors Affecting Transfers to Education

Raleigh, NC



Performance Audit Report

September 2026

State Auditor
Dave Boliek

A Constitutional Office of the
State of North Carolina





North Carolina Office of the State Auditor

Dave Boliek, State Auditor

Auditor's Transmittal

The Honorable Josh Stein, Governor
The Honorable Phil Berger, President Pro Tempore
The Honorable Destin Hall, Speaker of the House
Honorable Members of the North Carolina General Assembly
Mark Michalko, Chief Executive Officer and Executive Director
Bryan Starnes, Chair, North Carolina Education Lottery Commission

Ladies and Gentlemen:

The North Carolina Office of the State Auditor (OSA) is statutorily required to conduct financial statement audits of the North Carolina Education Lottery (NCEL). Examination of recent financial statements found that while lottery sales have been increasing significantly, the percentage of lottery proceeds transferred to North Carolina's Education Lottery Fund has fallen sharply.

From FY 2023 to FY 2025, the NCEL reported gross sales increased from \$4.3 billion to \$6.6 billion. However, the percentage of sales transferred to the Education Fund fell from 23% in FY 2023 to 16% in FY 2025. The total dollars transferred to the Education Fund increased from \$1.02 billion in FY 2023 to \$1.09 billion in FY 2024, but then declined to \$1.08 billion in FY 2025.

OSA conducted a performance audit to examine the factors that led to the above figures. The primary drivers are substantive growth in digital instant games, declining sales of traditional lottery games, and expansion of higher-payout lottery products. Total prize payouts increased from approximately 66% of sales in FY 2023 to approximately 76% of sales in FY 2025, resulting in a reduced percentage of sales available for transfer to the Education Fund.

The introduction of digital instant games is new to North Carolina, and as shown in the audit, it has already had tremendous impact on the operations and finances of the Education Lottery. Digital instant games are designed to have a payout rate of approximately 87%. They have gone from generating zero dollars in sales in FY 2023, to \$2.60 billion in sales in FY 2025, which represented approximately 40% of total lottery sales that fiscal year. Over the same time period, draw games and scratch-off tickets – which have lower prize payout percentages – both saw a decrease in sales.

State laws guiding and regulating the Education Lottery were not initially designed with digital instant games in mind. As a result of the findings, auditors recommend that the NCEL work with the General Assembly to clarify North Carolina's primary strategic objective for the Education Lottery. Specifically, a strategic decision is required to determine whether the NCEL's primary objective is to maximize total dollars transferred to the Education Fund, maintain a specified minimum percentage to transfer to the Education Fund, or balance both objectives through clearly defined policy framework.

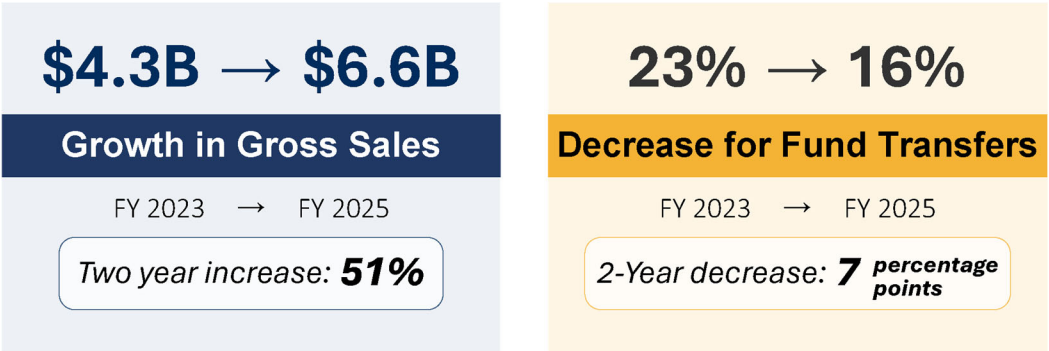
North Carolina Education Lottery leadership has committed to reviewing this audit with the NCEL Commission and meeting with General Assembly leadership on possible legislative changes.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dave Boliek", with a stylized flourish at the end.

Dave Boliek
State Auditor

Between fiscal year (FY) 2023 and FY 2025, the North Carolina Education Lottery’s (NCEL) reported gross sales increased from \$4.3 billion to \$6.6 billion, an increase of 51% over just two years. Over that same period, annual transfers to the State’s Education Lottery Fund (the Education Fund) remained near \$1 billion, increasing from \$1.02 billion in FY 2023 to \$1.09 billion in FY 2024 before declining to \$1.08 billion in FY 2025. The percentage of sales transferred to the Education Fund fell from 23% in FY 2023 to 16% in FY 2025.



The Office of the State Auditor (OSA) conducted a performance audit of the NCEL to answer this question:

Why did lottery sales increase significantly while the percentage of lottery proceeds transferred to the Education Fund declined?

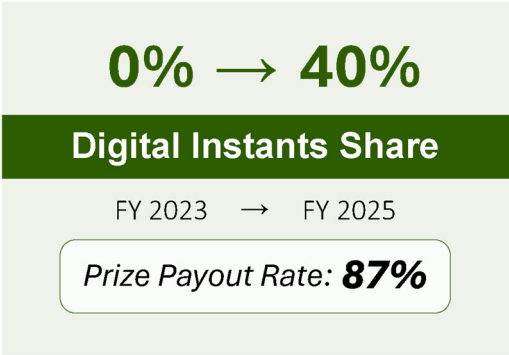
Our audit found that changes in the types of lottery games sold along with the associated prize payout rates were the primary drivers of the decline in the percentage of lottery proceeds transferred to the Education Fund. Specifically, NCEL shifted toward higher-payout products, particularly digital instant games, which generate substantial sales volume but leave fewer cents of each sales dollar available for transfer to the Education Fund.

Key Findings

The decline in the percentage of lottery proceeds transferred to the Education Fund was driven by three factors:

- 1 **Rapid growth in digital instant games**, which have higher prize payout rates and leave less proceeds available for transfer to the Education Fund.

Since launching in November 2023 through FY 2025, digital instant games have provided \$3.7 billion in gross sales. These games are designed with prize payout rates of approximately 87%, consistent with practices in the competitive digital gaming market. Because a larger share of each sales dollar is paid out as prizes, less revenue remains available for transfer to the Education Fund than with traditional draw games or scratch-off tickets.



2 Declining sales of traditional lottery games, including multistate jackpot games, which historically generated a larger share of transfers to the Education Fund.

As sales shifted away from these games, a smaller share of overall lottery revenue came from products that generate higher percentage transfers to the Education Fund. Scratch-off and draw game revenues decreased from approximately \$4.3 billion in FY 2023 to just under \$4 billion in FY 2025. Comparisons with selected peer states showed similar declines in traditional game revenues, suggesting that broader market trends and jackpot-cycle factors may have contributed to the decrease.

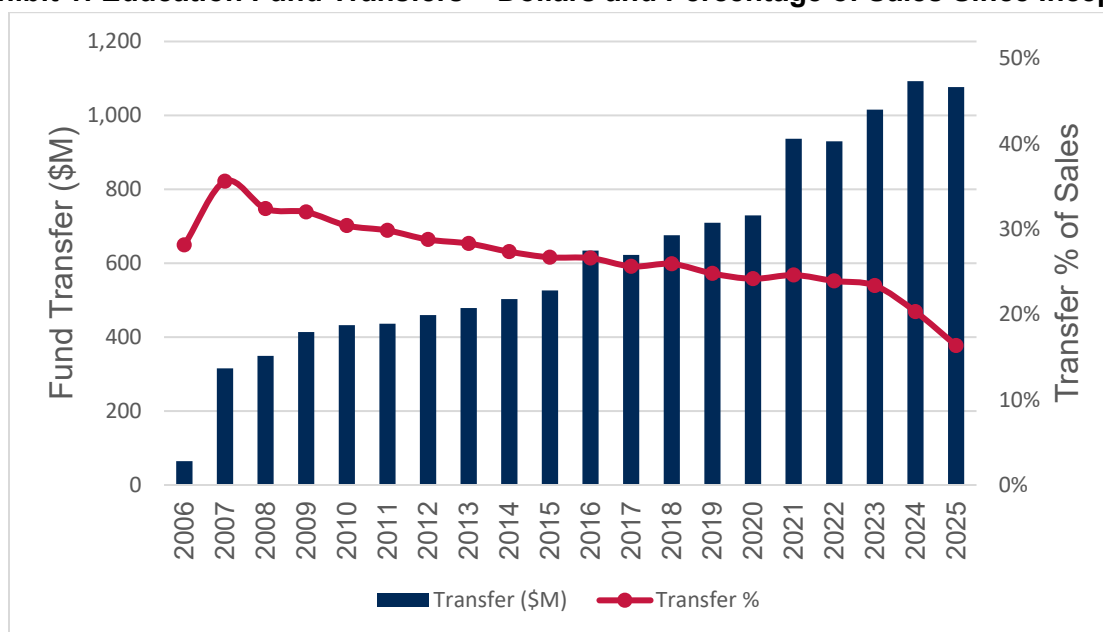
3 Expansion of higher-payout lottery products within existing game categories, including \$50 scratch-off tickets and Cash Pop.

During the audit period, NCEL introduced \$50 scratch-off tickets, with an 80% prize payout rate, and the draw game Cash Pop, with an aggregate prize payout rate of 67%. While these games generated additional sales, a smaller percentage of each sales dollar remained available for transfer to the Education Fund than many existing games in their respective categories.

Financial Impact of the Declining Transfer Percentage

During the audit period, annual transfers to the Education Fund remained above \$1 billion even as the percentage of sales transferred to the Education Fund declined. This is consistent with digital instant games and other higher-payout products generating additional transfer dollars while reducing the percentage of each sales dollar available for transfer.

Exhibit 1 shows NCEL's transfers to the Education Fund in both total dollars and as a percentage of gross sales since NCEL's inception in 2006. The bars represent total dollars transferred to the Education Fund each year, while the red line represents the transfer percentage. Although the percentage of funds transferred to the Education Fund has generally declined over time, total dollars transferred to the Education Fund have increased substantially since inception.

Exhibit 1: Education Fund Transfers – Dollars and Percentage of Sales Since Inception

Source: NCEL Financial Statements

As shown above, annual transfers to the Education Fund increased from approximately \$64 million in FY 2006 to more than \$1 billion annually beginning in FY 2023. While the percentage transferred to the Education Fund has declined, total transfer dollars have reached historic highs due to overall growth in lottery sales.

Statutory Transfer Target

North Carolina law sets a target that 38% of NCEL revenues are to be transferred to the Education Fund, while also providing that allocations should occur "to the extent practicable."¹

In practice, the 38% figure has not operated as a fixed transfer requirement. NCEL met the original 35% statutory target during its first full year of operation, but its long-term average transfer percentage has been approximately 27%.² Changes in lottery products, consumer preferences, and lottery market economics have increased sales while reducing the percentage of sales available for transfer to the Education Fund.

As lottery product offerings have evolved, the relationship between maximizing sales and maintaining a targeted transfer percentage has become less clear.

¹ N.C.G.S. § 18C-162(a)(2).

² The transfer percentage when the NCEL was established in 2005 was 35%. S.L. 2005-276, § 31.1(r). In 2021, the General Assembly changed the transfer percentage to 38%. S.L. 2021-180, § 4.3(b).

Recommendation

OSA recommends that NCEL work with the General Assembly to clarify the State's primary strategic objective for the Lottery. Specifically, State law should clearly indicate whether NCEL's primary objective is to:

- Maximize total dollars transferred to the Education Fund; or
- Maintain a specified minimum percentage to transfer to the Education Fund.

These objectives may not always be compatible in a modern lottery environment. If maintaining a minimum transfer percentage remains the primary objective, the General Assembly should consider whether the current 38% statutory target to transfer to the Education Fund remains appropriate given today's lottery products and market conditions.



Table of Contents

Background.....	1
Findings and Recommendations.....	6
Objective, Scope, and Methodology	20
Response From the North Carolina Education Lottery.....	22
Appendices:	
Appendix A: Historic Financial Performance Since Inception.....	23
Appendix B: Financial Statement by Source	24
Appendix C: NCEL Gaming System Services.....	31
Appendix D: NCEL Advertising and Marketing.....	32
Appendix E: Allocation Process and Distributions by County.....	38
Appendix F: Other State Lottery Financial Results	47
Appendix G: 2025 “First Tuesday” Scratch-Off Games with Financial Information.....	48
Appendix H: Regional Office Information	60
Appendix I: NCEL Expenditures by Vendor	61
Appendix J: Top Retailers by Region	68
Appendix K: Top 10 Retailers Statewide.....	70
Appendix L: List of NC Lottery Winners (>\$100k	71
Appendix M: North Carolina Education Lottery Strategic Plan - 2023.....	79
Appendix N: NCEL Salaries	87
Ordering Information.....	92

Chapter 147, Article 5A of the North Carolina General Statutes gives the Auditor broad powers to examine all books, records, files, papers, documents, and financial affairs of every state agency and any organization that receives public funding. The Auditor also has the power to summon people to produce records and to answer questions under oath.



Background

North Carolina Education Lottery and Its Education Mission

The North Carolina Education Lottery (NCEL) was established by the North Carolina State Lottery Act in 2005,³ with ticket sales beginning on March 30, 2006. NCEL's statutory mission is to provide funding for public purposes designated by the General Assembly. Since inception, NCEL has transferred more than \$12 billion to the Education Lottery Fund (the Education Fund), which supports school construction, pre-kindergarten programs, scholarships, school transportation, and other educational initiatives throughout the State.

NCEL is governed by a nine-member Lottery Commission (the Commission). During our audit period, four members were appointed by the General Assembly, and five were appointed by the Governor.⁴

Day-to-day operations are managed by an Executive Director and approximately 300 employees. These employees participate in both the Teachers' and State Employees' Retirement System (TSERS) and the State Health Plan, and salaries by position are listed in Appendix N.

NCEL's headquarters are in Raleigh, and there are five regional offices that support prize claims and game distributions. A complete list of offices with other select details can be found in Appendix H.

State law requires NCEL to undergo annual financial statement audits and periodic independent reviews of security, operations, and performance.⁵ These oversight mechanisms are intended to ensure accountability, maintain the integrity of lottery operations, and safeguard public trust.

Statutory Revenue Allocation Framework

State law requires NCEL to generate funding for education while allocating lottery revenues in accordance with statutory guidelines.⁶ The Commission is required to maximize available funding for education and, "to the extent practicable," adhere to specified revenue allocation targets.

Current statutory guidelines provide that:

- At least 50% of total annual revenue should be returned to players in the form of prizes.
- A minimum of 38% of total annual revenues should be transferred to the Education Fund.
- Administrative and operating expenses should not exceed 5% of total annual revenue.

³ S.L. 2005-344.

⁴ Session Law 2026-41 changed the number of appointments by elected officials to the Commission. The Commission now includes four members appointed by the General Assembly, three by the Governor, one by the State Auditor, and one by the State Treasurer, who shall be the chair of the Commission.

⁵ N.C.G.S. §§ 18C-116,-122.

⁶ N. C.G. S. § 18C-162.

- Retailer commissions should not exceed 7% of ticket sales.

These allocation targets create a direct relationship between prize payout rates and the amount available for educational purposes. As the percent of sales that are paid out in prizes increases, the percent available to transfer to the Education Fund decreases. As a result, changes in game offerings and prize structures can significantly affect the percentage of lottery sales ultimately transferred to the Education Fund.

Distribution of Funds

After NCEL transfers lottery proceeds to the Education Fund, the General Assembly determines how those funds are appropriated. During the audit period,⁷ lottery proceeds supported school construction, North Carolina Pre-K, non-instructional school personnel, higher education scholarships, and transportation funding for local school districts. See Appendix E for an explanation of how funds are distributed, distributions by county for State Fiscal Year (FY) 2025, and funding by education program by year since inception.

In addition to education funding, NCEL makes two annual transfers:⁸

- **Alcohol Law Enforcement (ALE):** \$2.1 million to the Department of Public Safety to support Alcohol Law Enforcement gambling enforcement activities.
- **Department of Health and Human Services (DHHS):** \$1 million to the Department of Health and Human Services to support responsible gaming initiatives, gambling addiction prevention services, and gambling-related research.

NCEL's Game Portfolio

NCEL generates revenue through three primary categories of lottery products: draw games, scratch-off tickets, and digital instant games. Each category operates differently and returns a different percentage of sales to players as prizes. These differences are important because prize payouts directly affect the amount of revenue available for transfer to the Education Fund.

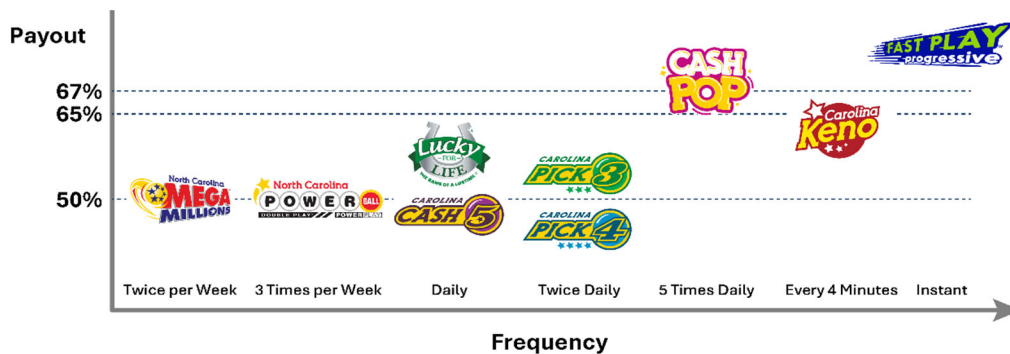
Draw Games

Draw games require players to select numbers and wait for a scheduled drawing. NCEL offers multistate jackpot games (Powerball, Mega Millions, Lucky for Life)⁹ and state-run games (Pick 3, Pick 4, Cash 5, Carolina Keno, Fast Play, and Cash Pop), whose gameplay and prize structures differ from multistate games to attract players with different gaming preferences. Five of these games typically return approximately 50% of sales in prizes, while the other four have higher prize payouts, as shown in Exhibit 2.

⁷ Fiscal Year 2023 – Fiscal Year 2025

⁸ N.C.G.S. § 18C-163.

⁹ Lucky for Life was rebranded to Millionaire for Life during 2026, which is outside of the scope of this audit. All references in this report are to Lucky for Life.

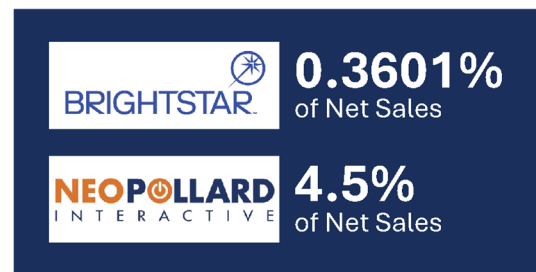
Exhibit 2: Draw Games – Payout and Frequency

Source: NCEL FY 2025 ACFR

Since actual prize payouts depend on the numbers played and drawn, the prize percentage may fluctuate by multiple percentage points between years. For example, in February 2026, Carolina Pick 3 had a draw of 2-2-2.¹⁰ Three of the same number is a popular play, so prize payout was well above 50% for that specific draw. Over time, though, prize percentages do approach expectations based on the overall odds.

Since the odds of winning are based on the number of balls available to be drawn and number of selections to be made by players, all games have a mathematically determined structure that ensures actual payouts approach projected payouts over time.

Aside from prize payouts, draw games also incur several other direct expenses. Sales at retail locations come with a statutory cap of 7% of ticket sales paid as commission to those stores. If sold online, draw games have a 4.5% commission instead. Online commissions are payable to one of NCEL's three main gaming vendors, NeoPollard. Also, another vendor, Brightstar, is paid a base 0.3601% of sales for their gaming system services. See Appendix C for more information.

**Scratch-Off Tickets**

Scratch-off tickets are physical cards purchased at retail locations that reveal winnings immediately upon gameplay. New scratch-off games are released the first Tuesday of every month, except for holidays. See Appendix G for performance of "First Tuesday" games released during FY 2025.

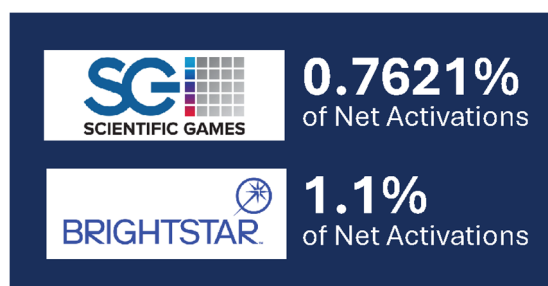
¹⁰ [Pick 3 players win over \\$5.9 million on 2-2-2.](#)

Price Point	Payout
\$1	60.5%
\$2	66.3%
\$3	66.3%
\$5	69.0%
\$10	72.5%
\$20	75.0%
\$30	78.0%
\$50	80.0%

Scratch-off games typically return between 60% and 80% of sales as prizes. Higher-priced tickets generally feature higher payout rates and larger top prizes to attract players. Because prize payouts vary across ticket types, different scratch-off products contribute different amounts toward education funding. The chart on the left gives the target percentage of prize payout at each price point that NCEL has been using based on analysis of historical and current performance.

Unlike draw games, scratch-off games are printed with predetermined prize structures. NCEL knows the total number of winning tickets and the total prize value associated with each game before tickets are distributed for sale. NCEL works with the gaming vendor to decide on specific prize distributions that add up to the target prize payout percentage. These tickets are not “activated” until they arrive at the retail locations, providing security from theft during the distribution process.

Expenses specific to scratch-offs include the same 7% statutory cap on commission to retail locations on sales as draw games, with no scratch-off tickets sold online. The third main Lottery vendor, Scientific Games, is paid 0.7621% of net activations¹¹ for the cost of designing, printing, and distributing physical scratch-off cards, and the gaming system is funded with a fee of 1.1% of net activations paid to Brightstar. See Appendix C for more information.



Digital Instant Games

Digital instant games are played through NCEL's website or mobile application and provide immediate results similar to scratch-off tickets. These products grew rapidly during the audit period¹² and were a significant driver of lottery sales growth.

Unlike many traditional lottery products, digital instant games typically return approximately 87% of sales to players as prizes. As a result, a larger share of each sales dollar is paid back to players, leaving a smaller share available for transfer to the Education Fund. NCEL officials indicated that these higher payout rates are necessary to remain competitive in the online gaming marketplace.

All game odds are published on NCEL's website. Winning outcomes are determined using a Random Number Generator (RNG) operated by the gaming vendor.

¹¹ Net activations are based on packs of games delivered to retailers, less voided tickets and returns. These vendors are paid once their contractual obligations are complete when tickets are delivered to retailers.

¹² Fiscal Year 2023 – Fiscal Year 2025

Understanding Gross Gaming Revenue (GGR)

Digital lottery vendors are generally compensated based on Gross Gaming Revenue (GGR) rather than total sales.

GGR represents the amount remaining after prizes are paid to players.

Because digital games have high prize payout rates, GGR is substantially lower than total sales.

Lottery gaming vendors are paid 13.5% of GGR

Most digital games have vendor fees set at 13.5% of GGR. Because these games pay out about 87% of what players spend in prizes, this fee is much smaller when viewed as a percent of total sales (about 1.76% of total sales). NeoPollard is the main digital gaming vendor.

$$\text{Gross Gaming Revenue (GGR)} = \text{Total Sales (less) Prizes Paid}$$


Understanding digital game revenue can be difficult because NCEL records every wager as revenue, even when players immediately reuse winnings to continue playing.

This accounting approach follows standard gaming industry practices and is similar to traditional lottery games, where players often use their winnings to purchase additional tickets. However, reported revenue can become much larger than the amount players originally deposited. The example below illustrates how this occurs.

Example:

A player deposits **\$10** into an online account and plays a digital game.

- NCEL records **\$10** in revenue.

The player wins **\$8**.

- NCEL records **\$8** in prizes.

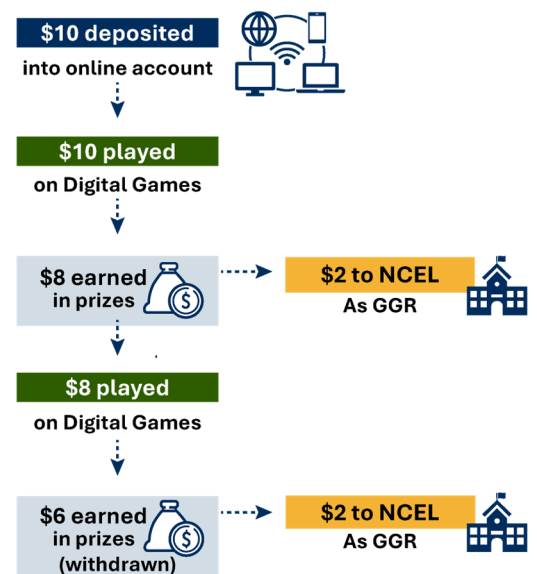
The player uses the entire **\$8** to continue playing and wins **\$6**.

- NCEL records an additional **\$8** in revenue and **\$6** in prizes.

The player then withdraws the **\$6**.

Although NCEL reports \$18 in revenue, the player only deposited \$10 and ultimately withdrew \$6. The player's net spending was therefore \$4.

For this reason, many gaming organizations use GGR (\$4 in the scenario above) as an additional measure of economic activity because it reflects the amount retained after prizes are paid.



NCEL Financial Impact	
	\$18 Revenue
	\$14 Prizes
	\$4 Net ('GGR')
	Player Spent \$4



Findings and Recommendations

Changes in North Carolina Education Lottery's Product Portfolio Reduced the Percentage of Sales Transferred to the Education Lottery Fund

Between fiscal year (FY) 2023 and FY 2025, the North Carolina Education Lottery's (NCEL) reported gross sales increased from \$4.3 billion to \$6.59 billion, up 51% over just two years. Over that same period, annual transfers to the State's Education Lottery Fund (the Education Fund) remained near \$1 billion, increasing from \$1.02 billion in FY 2023 to \$1.09 billion in FY 2024 before declining to \$1.08 billion in FY 2025. The percentage of sales transferred to the Education Fund fell from 23% in FY 2023 to 16% in FY 2025.

The Office of the State Auditor conducted this performance audit to answer the following question:

Why did NCEL sales increase significantly while the percentage of sales transferred to the Education Fund declined?

The audit found that the decline in the percentage of sales transferred to the Education Fund was primarily driven by changes in NCEL's product portfolio. During the audit period:

- Digital instant games became a significant share of total lottery sales, carrying a higher prize payout rate.
- Traditional lottery products that historically generated larger transfers to the Education Fund experienced declining sales.
- New products with higher prize payout rates were added within existing game categories.

Collectively, these changes increased overall lottery sales and maintained annual transfers for education funding above \$1 billion while reducing the percentage of sales available for transfer to the Education Fund.

Sales Increased While Transfer Percentage Declined

Although the percentage of sales transferred to the Education Fund declined during the audit period, total annual transfers remained above \$1 billion because overall lottery sales grew substantially.

To illustrate the magnitude of that growth, auditors compared actual FY 2024 and FY 2025 results to a baseline scenario in which FY 2023 performance remained unchanged for both years. Under that baseline, NCEL would have generated approximately \$8.7 billion in sales and transferred approximately \$2.0 billion to the Education Fund during FY 2024 and FY 2025. Actual results were approximately \$12.0 billion in sales and \$2.2 billion in Education Fund transfers. Therefore, NCEL generated approximately \$3.3 billion in additional sales and \$140 million in additional Education Fund transfers above FY 2023 baseline levels during the two-year period.

FY 2024 and FY 2025

\$3.3 billion

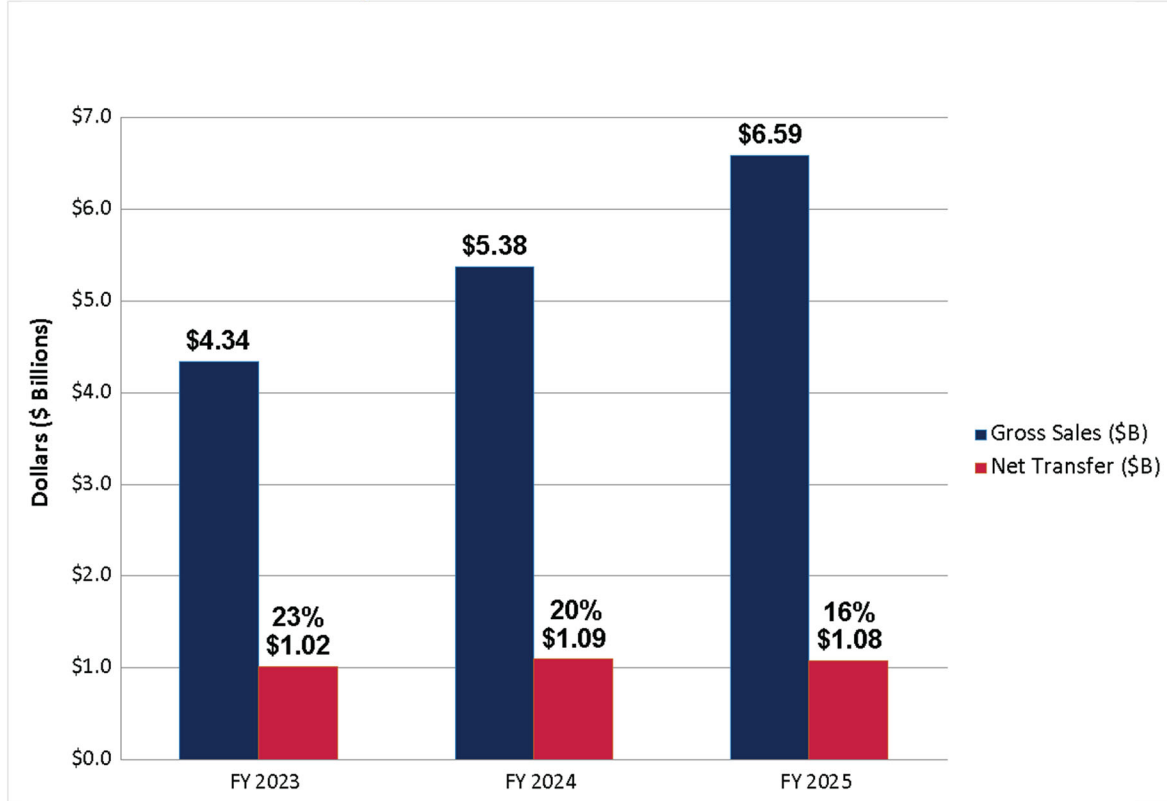
additional sales

\$140 million

*additional
Education Fund
transfers*

Gross sales increased from \$4.34 billion in FY 2023 to \$6.59 billion in FY 2025. Annual transfers to the Education Fund remained above \$1 billion but grew at a slower rate than sales. As a result, the percentage transferred to the Education Fund declined from approximately 23% in FY 2023 to approximately 16% in FY 2025.

Exhibit 3: Education Lottery Fund Transfers – Gross Sales vs. Transfers Since FY 2023



Source: NCEL Financial Statements FY 2023 - FY 2025

Exhibit 3 shows that lottery sales increased significantly while the share of each sales dollar transferred to the Education Fund declined.

Determining What Drove the Decline

Because transfers to the Education Fund declined as a percentage of sales, auditors analyzed the major revenue allocation categories to determine which components consumed a larger share of each sales dollar.

Administrative Costs

NCEL's administrative expenses remained consistently below the statutory 5% cap throughout the audit period. Administrative costs represented approximately 4% of sales and declined slightly as a percentage of revenue. Auditors did not identify administrative costs as a contributor to the declining transfer percentage.

Retailer commission

Retailer commissions also declined as a percentage of sales during the audit period. While State law allows up to 7% of ticket sales to be paid as retailer commissions, the commission percentage fell from nearly 7% to just above 4% of sales as digital lottery products became a larger share of overall revenue. Digital games do not utilize traditional retail distribution and therefore do not generate retailer commissions. Auditors did not identify retailer commissions as a contributor to the declining transfer percentage.

Prize Payouts

Prize payouts increased from approximately 66% of sales in FY 2023 to approximately 76% of sales in FY 2025.

Because prizes represent the largest use of lottery revenues, this increase reduced the percentage of sales available for transfer to the Education Fund.

Exhibit 4: Expense Categories as a Percentage of Gross Revenues - Since FY 2023

Line Item	2023	2024	2025	Change FY2023-FY2025
Prize Payouts	65.8%	70.6%	75.8%	+10.0%
Administrative Costs	4.0%	3.8%	3.8%	-0.2%
Retailer Commissions	6.8%	5.3%	4.1%	-2.7%
Transfers	23.4%	20.3%	16.3%	-7.1%

Source: NCEL Financial Statements FY 2023 - FY 2025

The audit identified the increase in prize payout percentage as the primary financial driver of the declining transfer percentage.

Why Did Prize Payouts Increase?

The increase in prize payouts was driven by three factors:

- ① Rapid growth in digital instant games.
- ② Declining sales of traditional lottery products.
- ③ Expansion of higher-payout products within existing game categories.

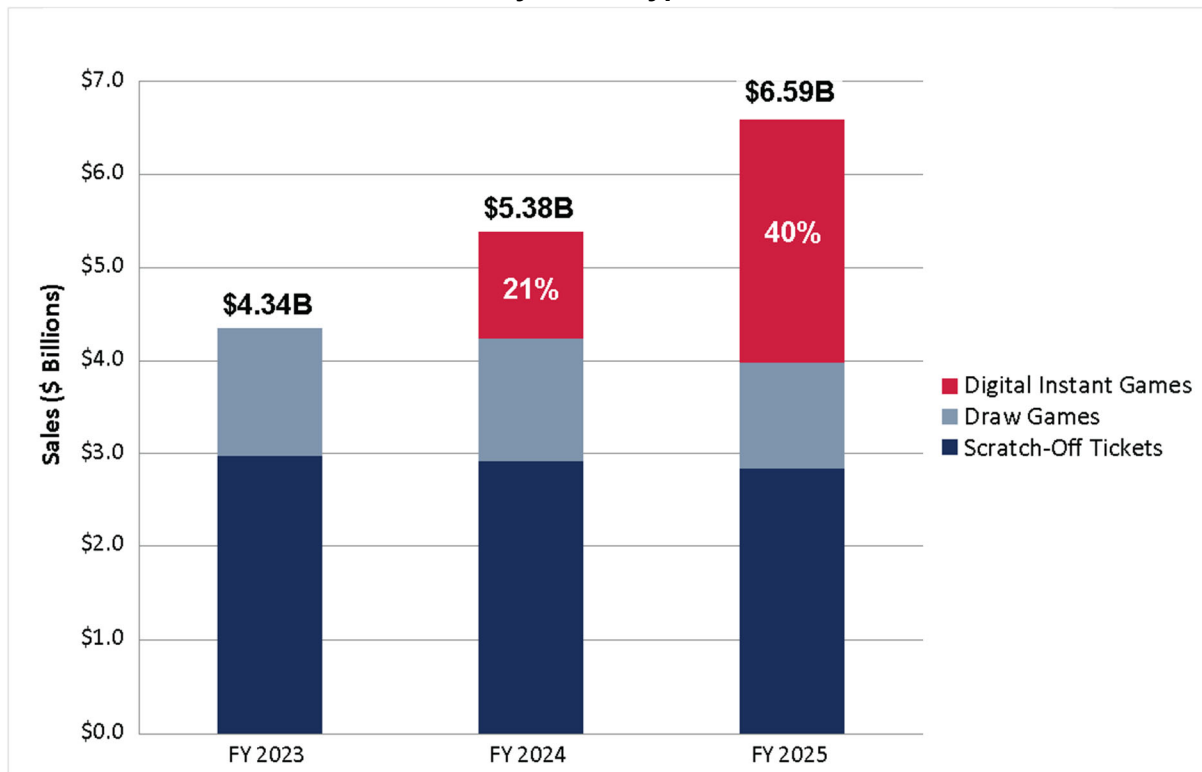
Together, these factors triggered prize payout increases, which in turn contributed to the decline in the transfer percentage.

1

Digital Instant Games Grew Rapidly

Digital instant games were introduced in November 2023 and grew to approximately \$2.6 billion in annual sales by FY 2025, as shown in Exhibit 5.

Exhibit 5: Revenue by Game Type - FY 2023 - FY 2025



Source: NCEL Financial Statements FY 2023 - FY 2025

By that same time, digital games represented approximately 40% of total lottery sales.

These products typically return approximately 87% of sales to players as prizes. As digital games became a larger share of NCEL's portfolio, the overall lottery prize payout percentage increased.

Why Product Mix Matters

The effect of these changes in product mix becomes clearer when comparing how different lottery products distribute each sales dollar. Products with higher prize payout rates generally leave less revenue available for Education Fund transfers than products with lower payout rates.

Exhibit 6 shows estimated prize payout rates, administrative costs (including retail commission and vendor fees), and the approximate amount available for transfer to the Education Fund by product type. The exhibit illustrates how every \$100 spent on different lottery products is generally distributed between prizes, operating costs, and education funding. Products with higher prize payout rates leave less of each sales dollar available for transfer to the Education

Fund. The estimates are intended to demonstrate the relative economics of different lottery products rather than actual NCEL revenue allocations.

Exhibit 6: Estimated Distribution of Lottery Revenue by Product Type

Lottery Product	Prize Payout	Operating Costs (Retail Commission, Vendor Fees, Administrative Cost)	Approximate Amount Available for Education
Powerball and Mega Millions	50%	11%	39%
\$10 Cash Pop Draw Game	70%	11%	19%
\$10 Scratch-Off	72.5%	13%	14.5%
\$50 Scratch-Off	80%	13%	7%
Digital Instant Games	87%	6%	7%

Auditor estimates intended to illustrate relative differences among products.

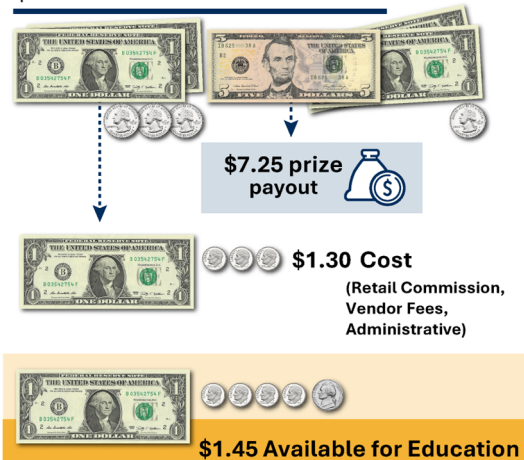
As further explanation, Exhibit 7 below shows what happens to \$10 spent on Powerball and scratch-off tickets at a retail store.

Exhibit 7: What Happens to \$10: Estimated Education Return by Game Type

\$10 Powerball tickets



\$10 Scratch Off ticket



Exhibits 6 and 7 together illustrate why product mix matters. Products with higher prize payout rates may generate significant sales volume but leave a smaller share of each sales dollar available for Education Fund transfers.

Although the percentage transferred to the Education Fund declined, total transfers to the Education Fund remained above \$1 billion because overall lottery sales increased. One major reason sales increased was the rapid growth of digital instant games. Later sections explain how declining traditional game sales and other higher-payout products also affected the overall transfer percentage.

As a result, growth in overall lottery sales helped sustain education funding even as the Lottery's revenue mix and transfer percentages changed.

Supporting Evidence from Other States

Virginia experienced a similar shift following the introduction of digital lottery products. Digital instant games became a significant share of Virginia Lottery sales, while the percentage that was transferred for public use declined during the same period.

Exhibit 8 shows the change in the percentage transferred for public use in Virginia from before the introduction of digital games to after.

Exhibit 8: Virginia Lottery Experienced Similar Pattern After Digital Launch

Measure	Pre-Digital FY 2020	Post-Digital FY 2022	Change
Gross Sales	\$2.15 billion	\$3.75 billion	+74.6%
Digital Instant Sales	\$0	\$1.28 billion	New product
Digital Share of Sales	0.0%	34.1%	+34.1 percentage points
Transfers to State	\$595.4 million	\$779.6 million	+30.9%
Transfer Percentage	27.7%	20.8%	-6.9 percentage points

Source: Virginia Lottery Financial Statements FY 2020 – FY 2022

Following the introduction of digital lottery products, Virginia experienced substantial growth in both total sales and the total amount transferred for public use. At the same time, digital games became more than one-third of total sales and the percentage transferred for public use declined.

In addition to Virginia, auditors reviewed Kentucky Lottery's digital gaming results as an additional example of how prize payout rates can affect digital lottery participation. Like North Carolina, Kentucky's digital games currently operate with prize payout percentages exceeding 87%. Previously, Kentucky had increased digital prize payout percentages from approximately 74% in FY 2017 to more than 87% by FY 2025. During the same period, digital sales increased from approximately \$5 million to nearly \$800 million, while Gross Gaming Revenue (GGR), the amount remaining after prizes are paid, increased from approximately \$1 million to more than \$100 million.

Exhibit 9: Kentucky Digital Prize Payout Percentage and GGR, FY 2017 to 2025

Year	Prize %	Digital Sales	GGR	GGR Increase
2025	87.3%	\$ 798.9	\$ 101.5	24.8%
2024	87.2%	634.9	81.3	53.9%
2023	86.6%	394.0	52.8	75.6%
2022	86.7%	226.1	30.1	60.5%
2021	84.2%	118.6	18.7	156.6%
2020	78.0%	33.2	7.3	78.1%
2019	76.3%	17.3	4.1	95.1%
2018	79.6%	10.3	2.1	53.1%
2017	73.6%	5.2	1.4	N/A

Source: Kentucky Lottery Financial Statements FY 2017 through FY 2025

As shown in Exhibit 9, Kentucky experienced substantial growth in both digital sales and GGR as digital prize payout percentages increased. While many factors influence lottery participation and revenue growth, Kentucky's experience helps illustrate how digital lottery products can operate with higher prize payout percentages while still generating substantial revenue.

2

Traditional Lottery Products Experienced Declining Sales

While digital gaming expanded rapidly, traditional lottery products experienced declining sales.

Exhibit 10: NCEL Traditional Gaming Gross Revenues – FY 2023 to FY 2025

Game Type	FY 2023	FY 2024	FY 2025
Scratch-Offs	\$2,979,939	\$2,922,346	\$2,842,024
Draw	\$1,362,767	\$1,319,606	\$1,145,660

Source: NCEL Financial Statements FY 2023 through FY 2025

As shown in Exhibit 10, revenue from both draw games and scratch-off products declined during the audit period.¹³

The largest declines occurred in Powerball and Mega Millions, both multi-state draw games. Sales of these draw games are heavily influenced by jackpot size and frequency, which are outside NCEL's control. Audit analysis found that FY 2025 included fewer exceptionally large jackpot events than prior years, which likely contributed to lower sales of these products.

¹³ Fiscal Year 2023 – Fiscal Year 2025

Because Powerball and Mega Millions historically generated relatively large Education Fund transfers per dollar sold, declining sales reduced their share of NCEL's overall portfolio and contributed to the decline in the percentage transferred to the Education Fund.

Powerball and Mega Millions Jackpot Activity

Most significantly, Powerball had a sharp decrease in drawings for jackpots above \$400 million between FY 2024 and FY 2025, leading to sales within North Carolina falling by \$134 million, or 52%. Mega Millions sales, meanwhile, decreased by 26%. Exhibit 11 shows all jackpot wins over \$400M for the audit scope period.

Exhibit 11: Powerball and Mega Millions Jackpots – FY 2023 to FY 2025

Powerball Jackpots (>\$400M)			Mega Millions Jackpots (>\$400M)		
FY 2023	FY 2024	FY 2025	FY 2023	FY 2024	FY 2025
\$ 2,040M	\$ 1,765M	\$ 527M	\$ 1,337M	\$ 1,602M	\$ 1,269M
755M	1,326M	478M	1,350M	1,130M	810M
	1,080M		502M	560M	
	842M		483M		

Source: Auditor analysis

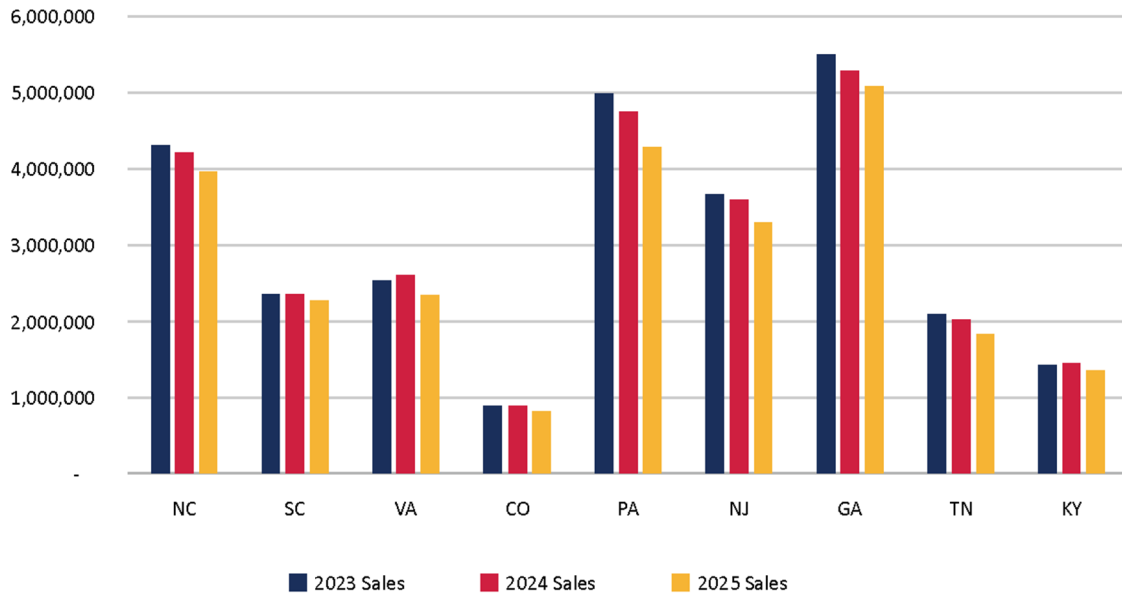
As discussed previously in Exhibit 6, Powerball and Mega Millions generally generate higher transfers to the Education Fund per sales dollar than higher-payout lottery products. As sales of these games declined, NCEL's overall percentage transferred to the Education Fund also declined.

Despite the decline in sales for traditional game types, the amount transferred to the Education Fund remained consistent, buoyed by the introduction of digital instant games.

Traditional Lottery Revenue Trends in Selected States

The decline in traditional lottery sales was not unique to North Carolina. Auditors reviewed multiple peer-state lotteries and identified similar declines in traditional lottery revenue, as shown in Exhibit 12.

Exhibit 12: Traditional Game Sales by Select State Lotteries – FY 2023 to FY 2025



Source: Various State Lottery Financial Statements FY 2023 through FY 2025

This comparison suggests that the decline in traditional game sales was not unique to North Carolina and may reflect broader lottery market conditions.

3

Higher-Payout Products Were Added Within Traditional Categories

NCEL introduced additional products within its traditional lottery portfolio during the audit period based on consumer demand.

Launched in December 2023, \$50 scratch-off tickets carry an 80% prize payout rate, the highest of any scratch-off product offered by NCEL. The product generated approximately \$588 million in FY 2025 sales, representing roughly 20% of total scratch-off revenue. This was an increase from FY 2024, where sales were approximately \$384 million.

Based on auditor estimates discussed previously (see Exhibit 6), \$50 scratch-off tickets generated approximately \$26.9 million in Education Fund transfers during FY 2024 and approximately \$41.2 million during FY 2025 (approximately 7% of sales).

Cash Pop, launched in November 2024, pays out between 61% and 70% of sales depending on the wager amount selected by the player, with an average payout of 67%. Based on auditor

estimates, during its partial first year of operation, the game generated approximately \$69 million in sales, corresponding to an estimated \$15.2 million in transfers to the Education Fund.

These products generated additional sales and dollars transferred to the Education Fund and were the only traditional lottery products that experienced sales growth during the audit period. However, they also returned a larger share of sales to players as prizes, leaving less of each sales dollar available for transfer to the Education Fund. Therefore, these games contributed to the decline in the overall percentage transferred to the Education Fund, though the impact was smaller than that of digital instant games.

Exhibit 13: Payout Percentages by Traditional Lottery Product Categories — FY 2023 Through FY 2025

Game Type	2023	2024	2025	Change
Scratch-offs	72.4%	73.1%	73.4%	+1.0%
Draw	50.1%	49.2%	51.4%	+1.3%

Source: NCEL Financial Statements FY 2023 through FY 2025

Total Dollars Versus Percentage Transferred

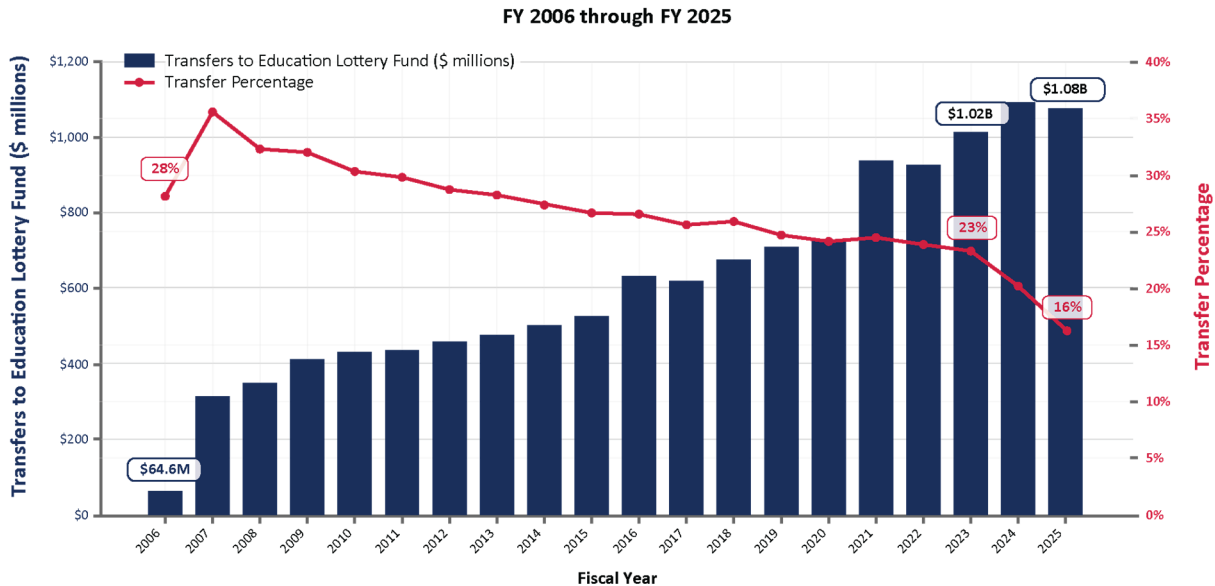
A declining percentage transferred to the Education Fund does not necessarily mean education funding declined.

The audit found that digital instant games generated substantial dollars transferred to the Education Fund despite producing a lower percentage than many traditional lottery products. Because digital games generated significant sales volume, they contributed meaningful funding to the Education Fund.

This distinction is central to understanding the audit results:

A lottery product can increase the total dollars transferred to education funding while also reducing the percentage of sales transferred to education funding.

Exhibit 14: Education Lottery Fund Transfers – Total Dollars vs. Transfer Percentage, FY 2006–FY 2025



Source: NCEL Financial Statements FY 2006-FY 2025. Note Bars show annual transfers in total dollars; red line shows transfers as a percentage of gross sales.

As shown in Exhibit 14, since NCEL's inception, the total amount of transfers to education funding have generally increased while percentages have gradually declined. This illustrates a key finding of the audit: total education funding and percentage do not necessarily move in the same direction.

Policy Context: Understanding the 38% Statutory Target

State law provides a target for NCEL to transfer at least 38% of revenues to the Education Fund "to the extent practicable."

The statutory target was established before digital lottery products were introduced in North Carolina and before digital gaming became a significant component of the State lottery portfolios. Further, when the target was established, NCEL did not offer high payout games like Cash Pop or \$50 scratch offs.

In today's lottery environment, maximizing total dollars for education funding and maintaining a specific percentage transferred to the Education Fund may not always produce the same result.

To provide context for North Carolina's transfer percentage, we compared states that offer a range of lottery products and strategies for generating public funding. As shown in Exhibit 15, states with greater reliance on digital lottery products generally have lower percentage transferred for public use than states that rely primarily on traditional lottery games.

This comparison illustrates how differences in product mix can influence percentage transferred and provides context for evaluating North Carolina's performance against the statutory 38% statutory target.

Exhibit 15: Digital Gaming Share vs. Transfer Percentage – Selected State Lotteries

State	Digital %	Transfer %
New Jersey	0.0%	32.4%
Pennsylvania	16.2%	24.6%
Georgia	14.6%	24.4%
South Carolina	0.0%	23.9%
Tennessee	0.0%	23.5%
Colorado	0.0%	20.5%
Michigan ¹⁴	27.4%	19.8%
Kentucky	37.0%	17.7%
North Carolina	39.4%	16.3%
Virginia	58.6%	15.6%

Source: Various State Lottery Financial Statements FY 2025

Additional peer-state data can be found in Appendix F.

Among the states reviewed, lotteries with larger digital gaming portfolios generally reported lower percentages transferred for public use than those without digital gaming programs.

This relationship is consistent with the economics of higher-payout products, which may generate significant sales growth while reducing the percentage of each sales dollar available for transfer to public purposes.

Policy Implications

The audit found that the decline in NCEL's percentage transferred to the Education Fund was primarily driven by changes in product mix rather than increases in administrative costs or retailer commissions.

Growth in digital instant games and other higher-payout products increased overall lottery sales and maintained annual Education Fund transfers above \$1 billion while reducing the percentage of sales available for transfer to the Education Fund.

Traditional lottery products that historically generated larger transfers per dollar sold declined during the same period, reinforcing the decline in transfer percentage. Collectively, these factors produced a fundamental shift in NCEL's financial profile:

¹⁴ Michigan's FY 2025 results were not available, so FY2024 was used. MI was withheld from our other analysis as they did not have data available for our full audit scope.

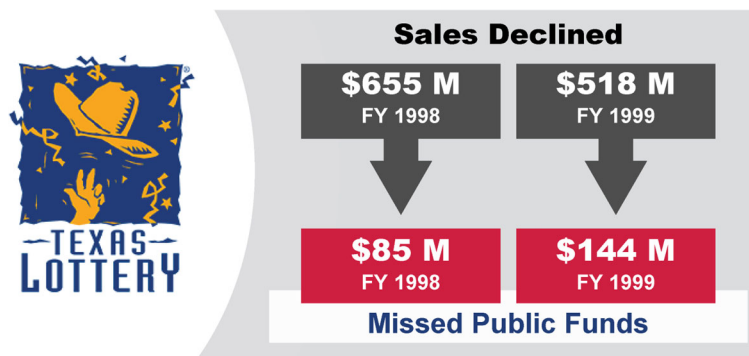
- Total sales increased.
- Total transfers remained strong.
- Percentage transferred declined.

These findings highlight an important policy question:

Should NCEL's primary objective be maximizing total dollars transferred to the Education Fund, maintaining a specified percentage transferred, or balancing both objectives?

A Case Study: Texas Lottery Prize Payout

In 1997, the Texas Legislature imposed a statutory cap on lottery prize payouts, intending to increase dollars for public purposes. The cap tied allowable prize payouts to prior-year percentages and automatically suppressed future prize payouts.



As a result, Texas Lottery sales declined by more than \$655 million in FY 1998 and an additional \$518 million in FY 1999, with transfers decreasing approximately \$85 million and \$144 million, respectively. The legislature repealed the cap within two years, but sales recovery took several additional years. The transfer percentage improved briefly; total dollars to the state declined significantly.

Recommendation

The Office of the State Auditor recommends that NCEL work with the General Assembly to clarify the State's primary policy objective for lottery operations.

Specifically, State law should clarify whether NCEL's primary objective is:

- Maximizing total dollars transferred to the Education Fund;
- Maintaining a targeted percentage transferred to the Education Fund; or
- Balancing both objectives through a clearly defined policy framework.

If maintaining a targeted percentage transferred remains the primary objective, the General Assembly should evaluate whether the current statutory target remains appropriate given the economics of modern lottery products and the growing role of digital gaming.



Objective, Scope, and Methodology

Objective

The objective of this audit was to determine why the percentage of lottery revenues transferred to the Education Lottery Fund (the Education Fund) declined as total lottery sales increased during FY 2023 through FY 2025.

Scope

The audit focused on FY 2023 through FY 2025. Historical financial data from FY 2006 to the audit period was reviewed for context, and peer-state comparisons drew on available data from states that both have and have not introduced digital lottery products.

Methodology

To accomplish the audit objective, auditors:

- Reviewed NCEL's audited financial statements and underlying data for FY 2023 through FY 2025;
- Analyzed financial data related to ticket sales, prize payouts, retailer commissions, vendor fees, administrative expenses, and net transfers to the Education Fund;
- Reviewed statutory requirements and legislative history governing NCEL;
- Conducted comparative research on peer state lotteries; and
- Interviewed NCEL management and relevant NCEL staff.

Auditors utilized financial data to calculate ratios and percentages. Because NCEL received unmodified audit opinions each year, OSA relied on the reported financial data.

Peer states were selected to provide a range of lottery structures, product offerings, and funding models for comparison. North Carolina's four neighboring states (Virginia, Georgia, Tennessee, and South Carolina) were included due to geographic proximity and regional similarities. Kentucky and Michigan were selected because they offer digital lottery games. Pennsylvania and New Jersey were included because they have statutory transfer requirements and populations comparable to North Carolina. Colorado was selected as a western state that does not offer digital lottery games and had readily available financial information.

Because of the test nature and other inherent limitations of an audit, together with limitations of any system of internal and management controls, this audit would not necessarily disclose all performance weaknesses or lack of compliance.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in internal controls significant to our audit objectives. As a basis for evaluating internal control, auditors applied the internal control guidance contained in professional auditing standards. However, our audit does not provide a basis for rendering an opinion on internal control, and consequently we have not issued such an opinion.

Objectives, Scope, and Methodology (concluded)

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



Response From the North Carolina Education Lottery



North Carolina Education Lottery
Factors Affecting Transfers to Education
Performance Audit
August 2026
North Carolina Education Lottery Response

The North Carolina Education Lottery worked closely with the Office of the State Auditor and his team to provide full and complete information to support a performance audit over the past year.

The NCEL conducts both annual financial audits and bi-annual performance audits managed by independent audit firms which are competitively procured.

Recommendation

The Office of the State Auditor recommends that NCEL work with the General Assembly to clarify the State's primary policy objective for lottery operations.

Specifically, State law should clarify whether NCEL's primary objective is:

- Maximizing total dollars transferred to the Education Fund;
- Maintaining a targeted percentage transferred to the Education Fund; or
- Balancing both objectives through a clearly defined policy framework.

If maintaining a targeted percentage transferred remains the primary objective, the General Assembly should evaluate whether the current statutory target remains appropriate given the economics of modern lottery products.

These objectives are not always compatible in a modern lottery environment. If maintaining a minimum transfer percentage remains the primary objective, the General Assembly should consider whether the current 38% statutory target to transfer to the Education Fund remains appropriate given today's lottery products and the competitive marketplace that has developed over the past few years. The NCEL will continue to work to meet consumer demand, remain competitive and maximize return to education.

The NCEL will review this information carefully with the NCEL Commission and develop a plan to advance these important conversations. Then, Mark Michalko, CEO and Executive Director, and Hayden Bauguess, Chief Government Affairs Officer, will meet with the General Assembly leadership to discuss possible legislative changes needed to clarify the State's primary objectives.

The NCEL team would like to thank the OSA team for their collaboration and diligence in preparing this report. We are proud that the auditors found the NCEL to be a strong performer when compared to peer lotteries. We work very hard to maximize the dollars returned for education and appreciate the shared goal of public transparency and delivering critical education funding to North Carolina.

A handwritten signature in black ink, appearing to read "Mark Michalko".

Mark Michalko
Chief Executive Officer
N.C. Education Lottery



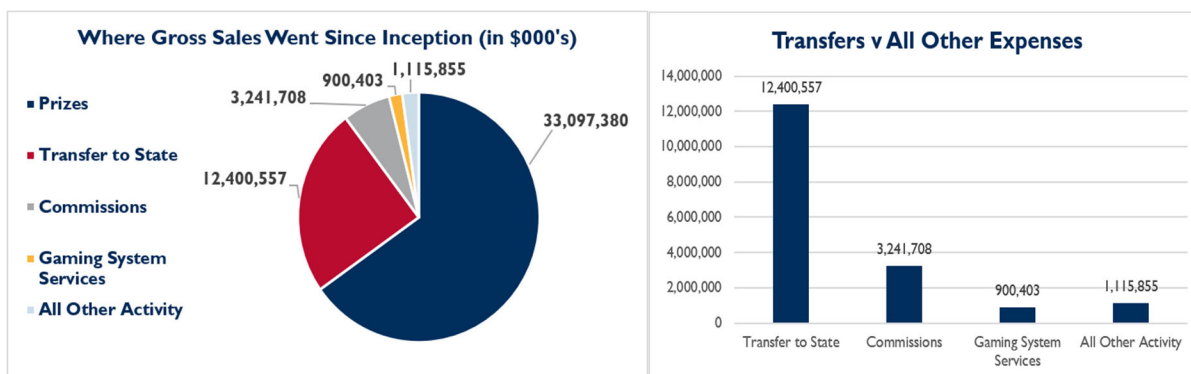
Appendices

Appendix A: Historic Financial Performance Since Inception

The audit period is fiscal year (FY) 2023 through FY 2025. However, historical performance lends important context to this audit. Below is information on gross sales, prizes, and other financial data since the inception of the Lottery in 2006.

All numbers in '000's

FY	Gross Sales	Prizes	Education Fund	Commissions	GSS	Other Activity
2006	\$ 229,530	\$ 118,974	\$ 64,588	\$ 16,057	\$ 3,966	\$ 25,945
2007	885,575	451,792	315,367	61,932	14,315	42,169
2008	1,078,179	588,485	349,310	75,371	17,286	47,727
2009	1,293,111	731,690	413,929	90,366	20,599	36,527
2010	1,421,313	835,302	432,205	99,340	22,639	31,827
2011	1,461,106	862,996	436,241	102,127	23,482	36,260
2012	1,596,693	961,556	459,469	111,624	26,031	38,013
2013	1,689,803	1,024,437	478,508	118,148	27,262	41,448
2014	1,839,259	1,135,052	503,135	128,551	30,343	42,178
2015	1,972,220	1,231,238	526,427	137,767	28,678	48,110
2016	2,383,591	1,491,031	634,268	166,437	40,640	51,215
2017	2,428,071	1,543,158	622,505	169,439	40,326	52,643
2018	2,605,313	1,647,828	675,470	181,571	44,257	56,187
2019	2,859,624	1,845,287	709,195	198,924	45,586	60,632
2020	3,016,205	1,957,588	729,400	209,187	53,883	66,147
2021	3,805,352	2,462,425	936,819	261,688	70,789	73,631
2022	3,887,051	2,543,961	929,833	266,200	72,872	74,185
2023	4,342,706	2,863,660	1,015,249	293,845	89,880	80,072
2024	5,375,520	3,802,659	1,092,314	284,178	100,375	95,994
2025	6,585,681	4,998,261	1,076,325	268,956	127,194	114,945
Total	\$50,755,903	\$33,097,380	\$ 12,400,557	\$ 3,241,708	\$900,403	\$ 1,115,855



Appendix B: Financial Statement by Source

Presented below is NCEL's financial information by revenue source and expenditure category for FY 2025. This information provides additional detail on the composition of lottery revenues, prizes, operating expenses, and transfers, and supports the financial analyses presented in this report.

Revenues June 30, 2025 (in thousands)	
Revenue Source	Amount
Operating Revenues	
Gross game sales:	
Scratch off ticket sales	\$ 2,842,024
Draw game sales	1,145,660
Digital instant game sales	2,597,997
Total Gross Sales	\$ 6,585,681
Less: Sales/Service Bad Debt Recoveries	(66)
Fees and licenses:	
Retailer communication fee	5,136
Other retailer & administrative fees	267
Total Fees and Licenses	\$ 5,403
Total Operating Revenues	\$ 6,591,018

See on
Following
Page

Scratch-Off Sales Breakdown	
Price	Amount (in thousands)
\$1	\$ 40,042
\$2	88,704
\$3	63,400
\$5	441,978
\$10	552,128
\$20	469,061
\$25	19,042
\$30	579,794
\$50	587,875
Total Sales	\$ 2,842,024

Draw Game Sales Breakdown	
Game	Amount (in thousands)
Powerball	\$ 123,240
Mega Millions	111,519
Lucky for Life	37,533
Cash 5	48,964
Pick 4	211,199
Pick 3	423,867
Keno	70,193
Fast Play	45,843
Cash Pop	69,184
Other	4,118
Total Sales	\$ 1,145,660

Digital Performance Sales Breakdown	
Game Name	Net Sales Amount
VIP Platinum	\$ 23,666,230
Robo Cash	7,869,572
The Lamp	410,172,514
Fortunes of Cleopatra	27,158,629
Queen of Diamonds	19,240,829
Magic Winnings	42,708,740
Frost & Flame	6,949,141
Road Trip	3,888,172
Underwater Treasures	13,956,473
Pirate's Quest	10,239,020
Prize Chickens	19,327,868
Big Crush Multiplier	240,031,288
Winter Wilds	24,986,598
Mighty Mustang	98,561,666
Color Pop	17,689,894
The Claw	88,595,749
Shamrock Winnings	15,548,236
Myths & Money	28,694,368
Bison Bonanza	324,618,963
Skee-ball	36,530,390
Wheel of Bonuses	151,946,603
NC Cash Expander	29,841,500
USA Parade	12,772,104
Dragons Palace of Fortune	29,769,920
Diner Dollars	14,527,990
Mighty Rhino	31,388,238
Banker's Bonus	58,033,247
Bucks Triple Play	85,853,989
Jungle Tumble	37,860,034
Zombieville Cash Escape	12,198,602
Multiplier Mania	119,376,774

Digital Performance Sales Breakdown	
Game Name	Net Sales Amount
Merry Money Frenzy	27,797,206
Fire and Spice	24,732,581
Lucky 7s	25,285,748
Holiday Haus	20,662,272
Rockstar Riches	14,002,025
Big Crush Volcano	22,765,246
Monopoly	169,757,090
Sweet Shoppe	10,453,832
Triple Eagle Bonus	27,503,684
The Lamp Dark Arts	69,618,482
Quick 6 Extra	11,163,112
Magic Winnings Vegas	49,487,321
Wood Fired Winnings	10,325,343
Outlaw's Loot	34,680,378
Riches Galore	13,157,141
100X the Money	16,741,350
Cards of Riches	5,861,113
Total Sales	\$ 2,597,997,265

Operating Expenses June 30, 2025 (in thousands)	
Natural Classification	Amount
Salaries, Wages, and Benefits	
Salaries - Regular, OT, Longevity	\$ 25,310
Social Security contributions	1,802
Retirement and pension	6,850
Medical insurance	2,208
OPEB	3,087
Change in accrued vacation	419
Other personnel costs	119
Total salaries, wages, and benefits	\$ 39,795
Lottery Prizes	
Traditional lottery prizes	\$ 2,599,291
Promotional prizes	35,033
Digital instant prizes	2,340,874
Unclaimed prize expense	23,063
Total lottery prizes	\$ 4,998,261
Retailer commissions	\$ 268,956
Total retailer commissions	\$ 268,956
Retailer incentives & promo	\$ 1,659
Total retailer incentives	\$ 1,659
Gaming Systems Services	
Gaming system vendor fees	\$ 124,448
Gaming enhancement services	2,746
Total gaming systems services	\$ 127,194
Advertising	
Television advertising	\$ 24,659
Radio advertising	5,425
Internet / web advertising	10,931
Outdoor / billboard advertising	2,482
Newspaper advertising	116
Other advertising items	143
Video production	5,015
Total advertising	\$ 48,771

Operating Expenses June 30, 2025 (in thousands)	
Natural Classification	Amount
Marketing	
Sports sponsorships	\$ 2,923
Event sponsorships	875
Point-of-sale materials	917
Premium / promotional items	519
Other marketing services	24
Total marketing	\$ 5,258
Other Services	
Financial & audit services	\$ 529
Information technology services	459
Misc. contractual services	6,297
Facility & security services	160
Licenses & permit costs	5,295
Temps & workshops	463
Repairs & maintenance	132
Utilities	248
Telecommunications	701
Data processing & software	491
Postage, freight & printing	160
Travel & subsistence	377
Legal services	34
Registration fees	135
Misc. Marketing Services	309
Total other services	\$ 15,790
Furniture, Fixtures, and Equipment	
Ticket dispensers	\$ 777
Servers	533
Furniture	190
Other equipment	446
Trailers	117
Software	183
Total furniture, fixtures, and equipment	\$ 2,246
Depreciation and Amortization	
Depreciation & amortization	\$ 7,042
Total depreciation and amortization	\$ 7,042

Operating Expenses June 30, 2025 (in thousands)	
Natural Classification	Amount
Other General and Administrative	
Building rent	\$ 2,157
Other rent	640
Maintenance	2,759
Insurance	233
Supplies	341
Membership dues & subscriptions	273
Other expenses	33
Total other general and administrative	\$ 6,436
Total Operating Expenses	\$ 5,521,408

Note: The total spent using Procurement Cards (P-Cards) for FY 2025 was \$697,086.35. The purchases were for a variety of the expenses above.

Nonoperating Revenues June 30, 2025 (in thousands)	
Distribution	Amount
Nonoperating Revenues	
Investment earnings - STIF	\$ 7,907
Securities lending income	429
Subtotal - investment earnings	\$ (8,336)
Compulsive gambling contribution - DHHS	\$ 1,000
ALE gaming enforcement - DPS	\$ 2,100
Unclaimed prizes to Education Lottery Fund	\$ 23,063
Net Revenues to the State - Education Lottery Fund	
General education transfer (Education Lottery Fund)	\$ 934,951
Public school building - DPI / NBSC	103,196
College scholarships - UNC-SEAA	5,213
Pre-K (NC Pre-K) - DHHS-DCDEE	9,902
Subtotal - net revenues to the State	\$ 1,053,262
Other Misc. Revenues	\$ (2,674)
SBITA Expense	774
Loss on sale	5
Other Misc. Expenses	429
Subtotal - Misc. Nonoperating Revenues	\$ (1,466)
Noncapital contributions	(13)
Transfer for sports betting	-
Total Nonoperating Revenues	\$ 1,069,610

Appendix C: NCEL Gaming System Services

Three Main Vendors



0.3601% of net sales
for Draw Game System

1.1% of net activations
for scratch-off games

- Main Vendor for the Lottery's gaming system
- As revenues decrease Brightstar fees decrease

Total Spending

FY 2025

\$37,941,503.44



4.5% of net sales
for commission on Draw Games purchased online

13.5% GGR
for digital gaming services

- Main Vendor for the Lottery's online service platform

Total Spending

FY 2025

\$55,169,743.15



0.7621% of net sales
for design, production, and distribution of scratch games

- Main Vendor for responsible for creating scratch-off games
- **Responsibilities:** First Tuesday releases, ticket design, printing packets, and distribution to retailers

Total Spending

FY 2025

\$31,953,384.89

Appendix D: NCEL Advertising and Marketing

In the NCEL financial statements, advertising and marketing expenses are divided into two line items, as shown below.

Total Spent on Advertising and Marketing

Line Item	2023	2024	2025
Advertising	\$ 32,783	\$ 42,187	\$ 48,771
Marketing	4,487	4,259	5,258
Combined	37,270	46,446	54,029
% of Sales	0.8582%	0.8640%	0.8204%

Amounts in '000s

Advertising Expense

Advertising expenses include production costs incurred for the development of media campaigns for TV, radio, outdoors, and newspapers. The total spent on advertising is tracked largely by specific campaigns (see below).

Advertising - FY 2025	
Radio	\$ 4,424,977
Television	24,660,236
Newspaper	115,547
Outdoor Billboards & Digipacks	2,481,506
Web Ads-Internet	10,930,655
Video Production SVC	5,013,786
Other Advertising Accounts	144,393
Total	\$ 48,771,100

Source: NCEL Financial Statements – FY 2025

Advertising - By Campaign

Campaign Type	FY25 Campaign Name	Amount
Scratch Games	Supreme 7's ISO Launch	\$ 1,556,309
Scratch Games	Winners Club/\$80 Million Cash Blowout and Triple Red 777's ISO Launch	200,546
Scratch Games	Game of Throne ISO Launch	1,452,499
Scratch Games	Winners Club/\$50,000 Payout and Million Dollar Cashword ISO Launch	199,758
Scratch Games	Bucks Back Scratch ISO Launch	1,747,244
Scratch Games	Winners Club ISO Launch/ Cash Plus, Win Big, Millionaire Bucks, Xtreme Cashword	1,688,681
Scratch Games	Holiday Multiplier Suite ISO Launch	1,783,428
Scratch Games	\$8 Million Money Maker ISO Launch	1,956,526
Scratch Games	Winners Club/Diamond 10X and Loteria ISO Launch	199,246
Scratch Games	Winners Club ISO Launch/Super 7-11-21, \$1,000,000 Money Rush, 100X The Cash, \$200,000 Money Rush	1,423,825
Scratch Games	Multiply The Cash Suite ISO Launch	1,653,841
Scratch Games	Max-A-Million ISO Launch	1,762,971
Scratch Games	Winners Club/Lucky Loteria and Lucky Fifties ISO Launch	201,374
Scratch Games	Winners Club ISO Launch/Hit \$100, Emerald 10's, Maximum Money Blowout, PrizeLink Multiplier	1,740,384
Scratch Games	Winners Club Launch/Lady Luck, \$2 Million Vault, Spicy Hot Riches	1,643,165
Scratch Games	Triple Play Suite ISO Launch	1,839,225
Scratch Games	First Tuesday	188,306
Scratch Games	Carolina Panthers Promo	3,000
	Scratch Games Total	21,240,328
Portfolio	Play Smart	2,144,583
Portfolio	Beneficiary	3,571,394
	Portfolio Total	5,715,977
Draw Games	Cash POP	3,284,010
Draw Games	Mega Millions	1,737,747
Draw Games	Powerball	1,425,189
Draw Games	Fast Play	424,961
Draw Games	Keno	164,993
Draw Games	Pick 3	148,177
Draw Games	Pick 4	50,000
	Draw Games Total	7,235,077
Online Games	Digital Instants	9,088,072
	Digital Instants Total	9,088,072
Production	Production (Costs not related to media)	5,011,739
	Production Total	5,011,739
	Grand Total	\$ 48,291,193

Note: Amounts in the above table were provided by NCEL. Difference from the financial statements is due to timing of invoices received.

Marketing Expense

Marketing is specifically related to the partnerships NCEL has with different sports teams and events. Marketing partnerships include a level of exposure rather than a set number of ads by method. Marketing expenses include; Sponsorships & Activations, Retail Point of Sale Merchandising, Special Events, Promotional Items, Player Retail Promotions, Retailer Newsletters, Sales Support Materials, New Game Launches, and Graphic Design Suppliers.

Marketing – FY 2025	
Event Sponsorship ¹⁵	\$ 874,857
Sports Sponsorship	2,922,899
Point of Sale	917,209
Premium Items	519,066
Miscellaneous Marketing	23,975
Total:	\$ 5,258,006

Source: NCEL Financial Statements – FY 2025

¹⁵ Includes expenses related to daily draw show with local media partners along with one-off events throughout the state.

Marketing – Event Sponsorships

Vendor Name	Amount
Nexstar Media Inc	\$ 161,415
WRAL	131,383
NC Dept of Agriculture & Consumer Services	115,128
Sinclair Television Group Inc	103,461
WITN	84,000
NC Azalea Festival at Wilmington Inc	20,000
The NC Seafood Festival Inc	14,333
NC Assoc of School Administrators	13,500
Greater Raleigh Convention & Visitors Bureau	11,292
Arts Council of Fayetteville/Cumberland Co.	10,000
Historic Morgantown Festival Inc	10,000
myFutureNC, inc.	10,000
NC Folk Festival	10,000
NC School Boards Association, Inc	9,500
Norsan Broadcasting of NC LLC	9,500
47160734 NC Local Government	9,000
Centurion Entertainment, Inc	8,650
City of Salisbury	8,000
Greater Raleigh Merchants Association	8,000
Swiss Bear, Inc	8,000
Barbecue Festival	7,500
National Institute of Minority Econ Dev	7,500
NC Whirligig Festival	6,500
Carolinas VA Min Supp Dev Council	6,000
Carolinas LGBT Chambers of Commerce	5,000
Disability: In North Carolina	5,000
Greater Raleigh Chamber of Commerce	5,000
National Assoc. of Women Bus. Owners Greater Raleigh Chapter	5,000
NAW4 Integrated Business Solutions, LLC	5,000
NC Apple Festival Inc	5,000
NC MWBE Coordinators Network	5,000
NC Partnership for Children, Inc	5,000
NC Black Bear Festival, Inc	4,050
The African-American Cultural Festival	4,000
Fayetteville Dogwood Festival Inc	3,000
National Council on Problem Gambling	3,000
Rocky Mount Chamber of Commerce	3,000
Indigo Innovation Group	2,500

Appendix D (continued)

Vendor Name	Amount
NC Assoc of Student Financial Aid Administrators	\$ 2,500
NC Pickle Festival	2,500
NC Women Business Owners Hall of Fame	2,500
BCG NC, Inc	2,160
Insightful Visionaries, Inc	2,000
Wake County Board of Education	2,000
Bold Growth Agency	1,500
City of Durham	1,500
Genesis Block Labs LLC	1,500
Western Region Education Service Alliance	1,500
Bank of America	726
NC Council for the Social Studies	507
Total Event Sponsorships per Vendor	\$ 863,105

Note: Amounts provided by NCEL. Difference between amount paid to vendors and the financial statements of \$11,750 is due to payments to retailers for costs related to event attendance. This amount is included in the financial statement line items above, but not the total event sponsorships per vendor.

Marketing – Sport Sponsorships

Vendor Name	Amount
College Sports [Via Learfield Sub, LLC]	\$ 1,061,850
Hurricanes Hockey Limited Partnership	364,163
Charlotte Motor Speedway LLC	349,860
Panthers Football LLC	275,000
Hornets Basketball LLC	225,000
Playfly Holdings, LLC	172,500
Track Enterprises LLC	80,000
City of Greensboro	50,000
Charlotte Checkers Hockey LLC	45,120
Durham Bulls Baseball Club Inc	36,500
Greensboro Baseball LLC	24,825
NC WFC LLC	22,250
Aquimo Inc	19,997
Knights Baseball LLC	17,900
Temerity Baseball LLC	17,100
DBH Charlotte, LLC	16,000
DBH Winston-Salem, LLC	15,000
NC Central University	12,000
UNC Wilmington	11,000
DeWine Seeds-Silver Dollar Baseball LLC	10,800
Union Pro Hockey Group, LLC	10,700
Mudcats Baseball LLC	10,657
Fayetteville Baseball Club LLC	10,500
Hornets D League, LLC	9,000
Van Wagner Twelve Holding, LLC	8,500
DBH Hickory, LLC	8,000
NC A&T State University	8,000
UNC Pembroke	7,300
Western Carolina University	7,000
Elizabeth City State University	4,500
DBH Kinston, LLC	4,125
Down East Bird Dawgs LLC	3,000
Total Sport Sponsorships per Vendor	\$ 2,918,147

Note: Amounts provided by NCEL. Difference between amount paid to vendors and the financial statements of \$4,750 is due to payments to retailers for costs related to event attendance. This amount is included in the financial statement line items above, but not the total sport sponsorships per vendor.

Appendix E: Allocation Process and Distributions by County

The North Carolina Education Lottery (NCEL) does not determine where the money goes after they calculate net funds available for transfer. The General Assembly (NCGA) decides on the allocations of these funds. OSBM works with NCEL to transfer those funds to specific education programs designated by the NCGA. Within these programs, each agency has policies and procedures on how to allocate those dollars.

Below is an outline of how each respective program's funds are allocated, drawing from current practices under N.C.G.S. § 115C and Department of Public Instruction (DPI) and Department of Health and Human Services (DHHS) guidelines.

Generally, allocations are based on average daily membership (ADM, i.e., student enrollment), needs assessments, or applications. Charter schools receive proportional shares for operational categories (e.g., transportation) but not for capital funds. Note that actual distributions may vary slightly based on annual DPI adjustments. Lastly, these funds supplement (but do not fully cover) these programs.

Program	Purpose	Allocation Method	Recipient	Source
School Construction (Needs-Based Public-School Capital Fund)	Supports construction, renovations, expansion, and repair of public-school buildings.	• Application-based (DPI) • Eligible counties: < \$40B adjusted property value • Evaluated based on critical needs and other criteria specified in statute • Grant limits: • Elementary - \$42M • Middle - \$52M • High - \$62	Distributed to qualifying counties who receive the awards	DPI Operations Manual for Capital Funding and Frequently Asked Questions

Program	Purpose	Allocation Method	Recipient	Source
School Construction (Public School Building Capital Fund)	Provides funding for a variety of expenditures related to school construction and improvements	• \$98M allocated to Local Education Agencies (LEAs) based on Average Daily Membership (ADM) • \$2M reserved for DPI School Operations	Distributed to all LEAs	DPI Operations Manual for Capital Funding and Frequently Asked Questions
School Construction (Public School Repair and Renovation)	Funding for repairs and renovations for classroom facilities	Amount determined by NCGA is distributed equally among all 100 counties	• Distributed to counties first, then LEAs based on ADM	DPI Operations Manual for Capital Funding and Frequently Asked Questions
Non-Instructional Support Personnel	Provides funding for non-instructional support personnel and associated benefits	Dollar allotment distributed based primarily on ADM	Distributed to all LEAs based on the formula	DPI Allotment Policy Manual
NC Pre-K	Program is built upon a system of existing local Smart Start partnerships, public school systems, Head Start agencies, and other entities that demonstrate the ability to provide high-quality pre-kindergarten services for eligible four-year-old children	Determined by NC Pre-K Committee based on a variety of income and needs based criteria	DHHS contracts with 91 county or regional NC Pre-K Contracting Agency to carry out the provisions of the NC Pre-K Program	NC Child Care at DHHS NC Pre-K Program Requirements and Guidelines

Program	Purpose	Allocation Method	Recipient	Source
Scholarships	Financial aid for post-secondary students to cover expenses at any of the 58 community colleges or 16 UNC System universities	• Managed by the State Education Assistance Authority • Next NC Scholarship combines state and federal aid; Lottery funding covers ~23% of total awards • Households making $\leq$ \$80,000 • \$5,000 for university students; \$3,000 for community college students	Distributed based on completion of FAFSA form	Next NC Scholarship
LEA Transportation	Provides funding for all transportation related expenses for "yellow bus" use for eligible school age (K-12) students for travel to and from school and between schools	Dollar allotment based on efficiency of the units in transporting students	Distributed to all LEAs based on the formula	DPI Allotment Policy Manual

Distributions by County for FY 2025

Source: North Carolina Education Lottery website (www.ncлотtery.com/education)

County	FY 2025 Total	2025 Allocations					Total Since Inception
		Construction	School Staff	Pre-K	Scholarships	Transportation	
Alamance	\$ 9,841,490	\$ 2,081,877	\$ 5,625,143	\$ 1,131,481	\$ 804,675	\$ 198,314	\$ 150,872,746
Alexander	2,282,588	805,466	1,086,234	209,957	127,893	53,038	39,758,052
Alleghany	13,208,136	12,595,405	339,258	201,243	54,180	18,050	61,526,769
Anson	1,882,465	708,065	739,877	318,700	69,928	45,895	56,065,838
Ashe	1,896,459	687,957	668,374	325,516	144,230	70,382	75,956,040
Avery	1,331,816	626,065	448,287	132,259	91,457	33,748	17,578,938
Beaufort	3,078,929	903,366	1,434,367	444,571	192,774	103,851	89,359,515
Bertie	1,307,643	620,504	428,510	138,460	74,082	46,087	36,084,356
Bladen	2,415,221	775,518	979,741	472,644	110,007	77,311	76,436,275
Brunswick	6,303,698	1,443,778	3,356,069	794,811	436,517	272,523	89,776,392
Buncombe	11,565,895	2,351,477	6,583,839	1,076,191	1,183,168	371,220	182,256,520
Burke	5,236,947	1,305,663	2,864,931	542,254	421,894	102,205	131,403,716
Cabarrus	16,010,822	3,280,424	10,229,469	905,075	984,639	611,215	231,279,227
Caldwell	5,267,287	1,242,559	2,640,534	851,079	443,250	89,865	90,035,010
Camden	13,342,661	12,637,403	488,603	158,428	25,591	32,636	74,115,698
Carteret	3,958,913	1,066,082	2,012,982	610,914	186,406	82,529	71,419,715
Caswell	1,442,604	650,237	534,243	161,259	54,820	42,045	34,336,068
Catawba	9,191,284	2,065,977	5,568,600	481,656	856,249	218,802	186,176,433
Chatham	4,381,677	1,130,469	2,241,943	672,532	237,244	99,489	61,782,692
Cherokee	1,884,926	713,983	760,922	259,877	111,093	39,051	40,102,346
Chowan	1,316,270	624,069	441,188	184,542	33,707	32,764	64,156,601
Clay	1,057,962	587,846	312,381	103,951	38,215	15,569	71,275,157
Cleveland	6,417,593	1,500,394	3,557,392	639,754	573,793	146,260	133,199,560

County	FY 2025 Total	2025 Allocations					Total Since Inception
		Construction	School Staff	Pre-K	Scholarships	Transportation	
Columbus	\$ 3,865,501	\$ 1,011,321	\$ 1,818,251	\$ 721,552	\$ 208,836	\$ 105,541	\$ 130,722,618
Craven	5,842,885	1,384,525	3,145,364	778,752	381,761	152,483	108,420,440
Cumberland	22,483,527	3,953,533	12,280,737	4,267,372	1,480,830	501,055	376,687,643
Currituck	2,216,973	821,438	1,143,031	96,566	51,531	104,407	26,424,855
Dare	2,623,327	854,309	1,259,920	317,653	143,647	47,798	35,278,674
Davidson	9,616,385	2,118,384	5,754,964	944,087	580,469	218,481	155,412,589
Davie	3,115,724	929,178	1,526,154	445,137	145,942	69,313	46,034,648
Duplin	4,690,044	1,181,523	2,423,489	727,398	246,490	111,144	67,803,299
Durham	13,657,197	2,703,647	7,836,152	1,334,813	1,257,492	525,093	217,499,079
Edgecombe	65,767,027	62,958,983	1,632,141	861,089	224,757	90,057	117,742,365
Forsyth	21,309,553	4,157,177	13,004,894	1,562,631	2,037,923	546,928	342,889,652
Franklin	3,781,211	1,060,734	1,993,965	370,839	247,994	107,679	55,296,715
Gaston	14,227,793	2,633,983	7,588,428	2,503,286	1,204,080	298,016	227,586,386
Gates	2,112,757	1,600,610	357,768	95,652	35,159	23,568	30,088,931
Graham	43,004,707	42,576,580	272,319	116,945	25,133	13,730	55,910,695
Granville	3,250,456	961,835	1,642,283	363,872	202,225	80,241	52,365,192
Greene	1,692,926	692,164	683,334	209,959	63,563	43,906	74,073,417
Guilford	32,429,324	5,239,855	16,854,890	5,511,469	3,669,865	1,153,245	528,872,746
Halifax	15,009,981	12,883,544	1,363,879	450,172	244,057	68,329	151,150,320
Harnett	8,487,727	1,907,396	5,004,691	980,965	344,714	249,961	137,484,988
Haywood	3,230,840	962,548	1,644,819	327,445	231,998	64,030	48,979,660
Henderson	5,767,128	1,401,780	3,206,724	582,460	447,890	128,274	86,356,170
Hertford	1,677,065	665,924	590,025	292,180	86,356	42,580	40,160,897
Hoke	4,332,914	1,108,365	2,163,341	739,880	195,385	125,943	113,608,090
Hyde	37,280,022	37,106,854	115,114	31,161	14,189	12,704	49,264,153
Iredell	10,953,366	2,373,652	6,662,694	852,561	733,188	331,271	165,527,038
Jackson	53,905,502	52,744,145	868,176	70,167	177,910	45,104	77,506,270

County	FY 2025 Total	2025 Allocations					Total Since Inception
		Construction	School Staff	Pre-K	Scholarships	Transportation	
Johnston	\$ 14,682,851	\$ 3,132,754	\$ 9,362,053	\$ 934,512	\$ 715,329	\$ 538,203	\$ 216,113,271
Jones	944,932	570,733	251,528	62,413	41,588	18,670	26,694,315
Lee	4,610,459	1,138,170	2,269,327	843,730	276,061	83,171	72,921,237
Lenoir	4,063,058	1,087,544	2,089,302	505,366	285,955	94,891	115,437,962
Lincoln	5,392,460	1,314,861	2,897,639	674,764	386,203	118,993	76,116,059
Macon	2,341,676	814,949	1,119,957	215,698	125,865	65,207	94,184,979
Madison	1,388,827	652,020	540,582	73,117	68,274	54,834	19,381,643
Martin	63,617,425	62,678,759	635,665	177,710	92,078	33,213	91,604,977
McDowell	3,026,516	889,961	1,386,698	481,244	208,368	60,245	57,413,406
Mecklenburg	60,017,972	10,561,336	35,778,037	5,812,176	5,234,351	2,632,072	943,313,243
Mitchell	1,195,587	622,072	434,088	47,792	62,271	29,364	51,859,379
Montgomery	2,319,499	749,421	886,939	537,757	90,975	54,407	36,350,056
Moore	5,266,991	1,419,392	3,269,353	128,427	288,760	161,059	74,639,257
Nash	5,626,626	1,410,408	3,237,405	384,610	430,706	163,497	147,648,209
New Hanover	11,319,917	2,275,467	6,313,548	1,417,529	1,052,826	260,547	181,484,819
Northampton	13,102,386	12,543,878	308,071	161,901	59,622	28,914	77,988,048
Onslow	12,509,188	2,454,654	6,950,734	2,100,934	673,391	329,475	185,744,792
Orange	8,213,301	1,800,583	4,624,864	954,775	599,457	233,622	123,990,628
Pamlico	13,054,391	12,583,853	298,182	118,132	33,137	21,087	62,267,700
Pasquotank	2,555,292	827,570	1,164,837	372,999	117,430	72,456	39,660,857
Pender	5,105,688	1,273,719	2,751,338	672,143	261,865	146,623	63,810,121
Perquimans	13,171,297	12,618,222	420,396	79,713	24,928	28,038	53,862,715
Person	2,386,028	806,250	1,089,024	284,378	147,735	58,641	35,030,927
Pitt	10,706,994	2,195,678	6,029,818	1,071,850	1,098,309	311,339	167,623,502
Polk	1,493,920	645,603	517,762	208,630	91,300	30,625	19,755,628
Randolph	8,397,464	1,886,646	4,930,906	854,869	519,608	205,435	166,735,687

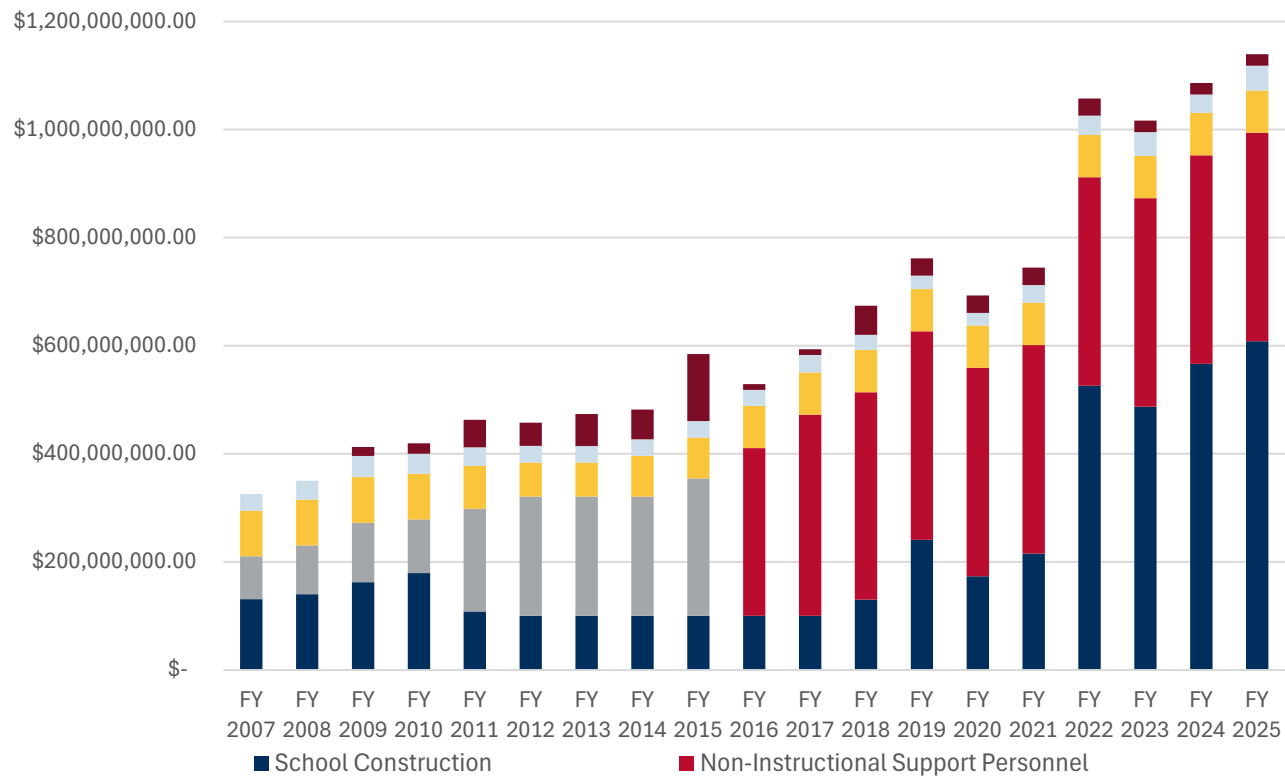
County	FY 2025 Total	2025 Allocations					Total Since Inception
		Construction	School Staff	Pre-K	Scholarships	Transportation	
Richmond	\$ 3,324,503	\$ 962,263	\$ 1,643,804	\$ 495,295	\$ 149,465	\$ 73,676	\$ 53,959,145
Robeson	10,092,095	1,964,653	5,208,296	2,131,538	513,331	274,277	232,035,220
Rockingham	5,165,521	1,295,965	2,830,447	601,908	291,369	145,832	84,886,367
Rowan	7,719,515	1,868,963	4,525,723	727,919	381,723	215,187	127,628,070
Rutherford	4,022,843	1,011,320	1,818,251	720,073	373,775	99,424	77,029,910
Sampson	67,146,037	63,267,301	2,728,517	782,778	231,275	136,166	144,289,452
Scotland	3,017,724	882,973	1,361,850	546,519	139,447	86,935	49,864,066
Stanly	4,473,460	1,123,196	2,216,081	825,572	198,472	110,139	67,586,897
Stokes	2,909,516	893,098	1,397,855	368,396	134,618	115,549	50,203,908
Surry	4,391,937	1,220,669	2,562,691	242,051	250,613	115,913	78,354,516
Swain	53,392,588	52,629,345	459,951	197,506	78,433	27,353	72,969,457
Transylvania	1,797,947	729,599	816,451	109,620	97,537	44,740	24,921,507
Tyrrell	696,997	531,873	113,340	32,020	13,027	6,737	7,428,688
Union	16,685,576	3,453,621	10,503,055	1,146,588	872,892	709,420	251,882,544
Vance	2,946,131	863,864	1,293,897	536,973	202,016	49,381	45,369,658
Wake	64,346,784	11,921,671	40,615,381	4,321,945	4,950,840	2,536,947	951,609,567
Warren	13,283,954	12,615,227	409,747	168,007	55,365	35,608	58,722,931
Washington	943,960	571,518	254,317	43,439	52,850	21,836	61,842,603
Watauga	2,742,125	831,420	1,178,529	265,127	413,583	53,466	34,927,302
Wayne	7,841,605	1,725,001	4,356,094	1,111,757	435,234	213,519	163,491,135
Wilkes	4,313,885	1,090,967	2,101,473	692,018	315,203	114,224	74,760,493
Wilson	4,965,989	1,222,950	2,570,806	681,276	368,200	122,757	91,449,053
Yadkin	4,232,714	2,451,083	1,268,795	304,165	138,759	69,912	47,196,300
Yancey	4,439,613	3,711,011	513,451	115,425	65,101	34,625	49,467,122

Historical allocation by program since NCEL's inception.Source: North Carolina Education Lottery website (www.ncлотtery.com/education)

	Classroom Teachers	College Scholarships	Non-Instructional Support Personnel	Prekindergarten	School Construction	Other ¹⁶	Grand Total
FY 2007	\$ 79,123,036	\$ 30,767,411	\$ -	\$ 84,635,709	\$ 131,006,996	\$ -	\$ 325,533,152
FY 2008	90,370,483	35,001,238	-	84,635,709	140,000,000	-	350,007,430
FY 2009	110,176,846	38,962,511	-	84,448,134	162,262,428	16,576,050	412,425,969
FY 2010	99,399,395	37,047,021	-	84,635,709	179,109,129	19,272,017	419,463,271
FY 2011	189,974,678	34,449,071	-	79,520,927	108,099,979	50,812,304	462,856,959
FY 2012	220,721,772	30,644,417	-	63,135,709	100,000,000	42,878,374	457,380,272
FY 2013	220,643,188	30,450,000	-	63,135,709	100,000,000	59,264,066	473,492,963
FY 2014	220,643,188	30,450,000	-	75,535,709	100,000,000	55,203,827	481,832,724
FY 2015	254,586,185	30,450,000	-	75,535,709	100,000,000	124,063,613	584,635,507
FY 2016	-	29,543,331	310,455,157	78,252,110	100,000,000	10,744,733	528,995,331
FY 2017	-	32,263,407	372,266,860	78,252,110	100,000,000	10,744,733	593,527,110
FY 2018	-	27,971,676	383,888,897	78,234,852	130,000,000	54,021,925	674,117,350
FY 2019	-	24,754,093	385,914,455	78,252,110	240,684,581	32,130,823	761,736,062
FY 2020	-	23,343,258	385,914,455	78,252,110	173,200,000	32,130,823	692,840,646
FY 2021	-	32,743,138	385,914,455	78,252,110	215,311,011	32,130,823	744,351,537
FY 2022	-	35,755,184	385,914,455	78,252,110	525,785,890	31,714,933	1,057,422,572
FY 2023	-	43,935,858	385,914,455	78,252,110	487,068,261	21,386,090	1,016,556,774
FY 2024	-	34,058,419	385,914,455	78,252,110	566,532,925	21,386,090	1,086,143,999
FY 2025	-	45,781,850	385,914,455	78,252,110	608,192,625	21,386,090	1,139,527,130
Total	\$ 1,485,638,771	\$ 628,371,883	\$ 3,768,012,099	\$ 1,477,722,866	\$ 4,267,253,825	\$ 635,847,314	\$ 12,262,846,758

¹⁶ The "Other" category includes LEA transportation, UNC need-based aid, digital learning, and teacher assistants.

Allocation of Lottery Funds by Fiscal Year



Appendix F: Other State Lottery Financial Results

Peer states were selected to reflect a range of lottery structures, product offerings, and funding models. North Carolina's neighboring states were included for regional comparison, while Kentucky and Michigan were selected for their digital lottery offerings. Pennsylvania and New Jersey were included for their statutory transfer requirements and similar populations, and Colorado was selected as a western state without digital lottery games.

State	Year	Gross Sales	Traditional Sales	Trad Inc/Dec	Digital Sales	Digital %	Transfers to State	Transfer %
North Carolina	2025	\$ 6,585,681	\$ 3,987,684	-6.40%	\$2,597,997	39.40%	\$ 1,076,325	16.30%
	2024	5,375,520	4,241,952	-2.40%	1,133,568	21.10%	1,092,314	20.30%
	2023	4,342,706	4,342,706			0.00%	1,015,249	23.40%
South Carolina	2025	2,299,817	2,299,817	-3.70%		0.00%	550,360	23.90%
	2024	2,384,727	2,384,727	-0.80%		0.00%	590,464	24.80%
	2023	2,402,700	2,402,700			0.00%	605,200	25.20%
Virginia	2025	5,769,640	2,387,208	-9.50%	3,382,432	58.60%	901,528	15.60%
	2024	5,521,005	2,615,048	2.50%	2,905,957	52.60%	934,099	16.90%
	2023	4,611,855	2,549,583		2,062,272	44.70%	867,352	18.80%
Colorado	2025	827,860	827,860	-8.80%		0.00%	169,810	20.50%
	2024	900,756	900,756	1.20%		0.00%	196,388	21.80%
	2023	889,778	889,778			0.00%	195,286	21.90%
Pennsylvania	2025	5,141,571	4,310,673	-11.30%	830,898	16.20%	1,264,735	24.60%
	2024	5,773,947	4,798,169	-3.90%	975,778	16.90%	1,266,523	21.90%
	2023	5,857,246	4,984,702		872,544	14.90%	1,240,150	21.20%
New Jersey	2025	3,343,477	3,343,477	-8.60%		0.00%	1,083,000	32.40%
	2024	3,632,109	3,632,109	-2.60%		0.00%	1,172,000	32.30%
	2023	3,726,949	3,726,949			0.00%	1,173,000	31.50%
Georgia	2025	6,022,700	5,143,000	-4.10%	879,700	14.60%	1,471,352	24.40%
	2024	6,003,700	5,355,000	-3.70%	648,700	10.80%	1,490,726	24.80%
	2023	6,136,600	5,555,000		581,600	9.50%	1,516,383	24.70%
Michigan ¹⁷	2024	6,317,903	4,586,300	-3.30%	1,731,603	27.40%	1,248,900	19.80%
	2023	6,520,160	4,739,000		1,781,160	27.30%	1,352,000	20.70%
Tennessee	2025	1,832,206	1,832,206	-10.80%		0.00%	430,063	23.50%
	2024	2,029,979	2,029,979	-3.60%		0.00%	519,322	25.60%
	2023	2,102,244	2,102,244			0.00%	515,397	24.50%
Kentucky	2025	2,156,264	1,357,380	-7.80%	798,884	37.00%	382,476	17.70%
	2024	2,097,891	1,463,030	1.10%	634,861	30.30%	405,415	19.30%
	2023	1,840,997	1,446,996		394,001	21.40%	384,258	20.90%

Amounts in '000s

¹⁷ Michigan's FY 2025 results were not available as of the report date.

Appendix G: 2025 “First Tuesday” Scratch-Off Games with Financial Information

Below is the list of “First Tuesday” scratch-off tickets introduced during FY 2025, along with unaudited financial data through February 2026 for each game. Some games were still active as of this date.

“Costs” for scratch off games include vendor fees paid to either Scientific Games or a secondary vendor for designing, printing, and delivering the specific scratch-off game.

License Fees are included for Loteria games and Game of Thrones only.

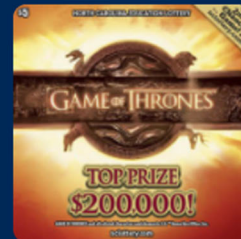
Retailer commissions are not included below.

JULY 2024

 80 MILLION CASH BLOWOUT PRICE: \$10 SALES: 93,692,790 PRIZES: 67,927,300 COSTS: 741,029 NET: 25,024,500	 SUPREME 7S PRICE: \$30 SALES: 179,655,990 PRIZES: 140,167,600 COSTS: 1,400,260 NET: 38,088,100	 SUPER LOTERIA* PRICE: \$5 SALES: 33,985,050 PRIZES: 23,449,700 COSTS: 513,711 NET: 10,021,650	 TRIPLE RED 777'S PRICE: \$5 SALES: 30,108,235 PRIZES: 20,774,700 COSTS: 251,841 NET: 9,081,700
---	--	---	--

*Super Loteria (937): LOTERIA®/©: Licensed by Don Clemente, Inc. 2024. All Rights Reserved.

AUGUST 2024

 50,000 PAYOUT PRICE: \$20 SALES: 63,765,920 PRIZES: 47,824,440 COSTS: 599,112 NET: 15,342,368	 1,000,000 CASHWORD PRICE: \$10 SALES: 47,867,810 PRIZES: 34,704,163 COSTS: 364,642 NET: 12,799,006	 TIC TAC BONUS PRICE: \$1 SALES: 7,466,594 PRIZES: 4,516,543 COSTS: 56,769 NET: 2,893,282	 GAME OF THRONES* PRICE: \$5 SALES: 23,335,995 PRIZES: 16,101,837 COSTS: 902,754 NET: 6,331,404
---	--	--	--

*Game of Thrones (942): *GAME OF THRONES* and all related characters and elements © & ™ Home Box Office, Inc.

SEPTEMBER 2024

 JUNIOR BIG OL' BUCKS PRICE: \$2 SALES: 22,913,972 PRIZES: 15,191,964 COSTS: 233,294 NET: 7,488,715	 MEGA BUCKS PRICE: \$5 SALES: 46,336,625 PRIZES: 31,995,440 COSTS: 804,026 NET: 13,537,159	 JUMBO BUCKS PRICE: \$10 SALES: 91,055,940 PRIZES: 66,024,663 COSTS: 710,749 NET: 24,320,529
---	--	--

OCTOBER 2024

 XTREME CASHWORD PRICE: \$5 SALES: 39,055,585 PRIZES: 26,952,260 COSTS: 317,791 NET: 11,785,535	 WIN BIG PRICE: \$20 SALES: 74,442,040 PRIZES: 55,853,863 COSTS: 877,502 NET: 17,710,675	 MILLIONAIRE BUCKS PRICE: \$30 SALES: 137,584,770 PRIZES: 107,316,121 COSTS: 1,071,495 NET: 29,197,154	 CASH PLUS PRICE: \$5 SALES: 24,820,925 PRIZES: 17,126,439 COSTS: 189,022 NET: 7,505,465
---	--	--	--

NOVEMBER 2024

 HOLIDAY CASH 10X PRICE: \$1 SALES: 5,772,272 PRIZES: 3,492,225 COSTS: 78,255 NET: 2,201,792	 HOLIDAY CASH 20X PRICE: \$2 SALES: 8,295,530 PRIZES: 5,500,766 COSTS: 103,302 NET: 2,691,462	 HOLIDAY CASH 50X PRICE: \$5 SALES: 22,814,585 PRIZES: 15,742,064 COSTS: 402,692 NET: 6,669,829	 HOLIDAY CASH BLOWOUT PRICE: \$10 SALES: 36,296,080 PRIZES: 26,314,658 COSTS: 517,236 NET: 9,464,186
 MERRY MULTIPLIER PRICE: \$20 SALES: 32,371,880 PRIZES: 24,278,910 COSTS: 668,072 NET: 7,424,898	 HOLIDAY CASH 30X PRICE: \$3 SALES: 8,681,013 PRIZES: 5,757,248 COSTS: 108,886 NET: 2,814,879		

DECEMBER 2024

 LOTERIA* PRICE: \$3 SALES: 24,059,259 PRIZES: 15,951,289 COSTS: 436,718 NET: 7,671,252	 8 MILLION MONEY MAKER PRICE: \$50 SALES: 459,093,050 PRIZES: 367,274,440 COSTS: 3,759,017 NET: 88,059,593	 DIAMOND 10X PRICE: \$5 SALES: 32,717,180 PRIZES: 22,574,855 COSTS: 249,224 NET: 9,893,102
---	--	--

*Loteria (959): LOTERIA®/©: Licensed by Don Clemente, Inc. 2024. All Rights Reserved.

JANUARY 2025

 1,000,000 MONEY RUSH PRICE: \$10 SALES: 36,755,700 PRIZES: 26,647,883 COSTS: 285,968 NET: 9,821,850	 100X THE CASH PRICE: \$20 SALES: 97,767,680 PRIZES: 73,364,868 COSTS: 898,078 NET: 23,504,735	 SUPER 7-11-21 PRICE: \$2 SALES: 9,095,014 PRIZES: 6,029,995 COSTS: 69,210 NET: 2,995,810	 200,000 MONEY RUSH PRICE: \$5 SALES: 20,084,845 PRIZES: 13,862,561 COSTS: 152,950 NET: 6,069,335
--	--	---	---

FEBRUARY 2025



MARCH 2025



*Lucky Loteria (984): LOTERIA®/©: Licensed by Don Clemente, Inc. 2025. All Rights Reserved.

APRIL 2025



MAY 2025

 LADY LUCK PRICE: \$2 SALES: 8,966,662 PRIZES: 5,945,794 COSTS: 100,486 NET: 2,920,382	 SPICY HOT RICHES PRICE: \$5 SALES: 20,575,945 PRIZES: 14,197,402 COSTS: 177,798 NET: 6,200,745	 2 MILLION VAULT PRICE: \$20 SALES: 66,154,240 PRIZES: 49,622,295 COSTS: 530,026 NET: 16,001,919
--	---	--

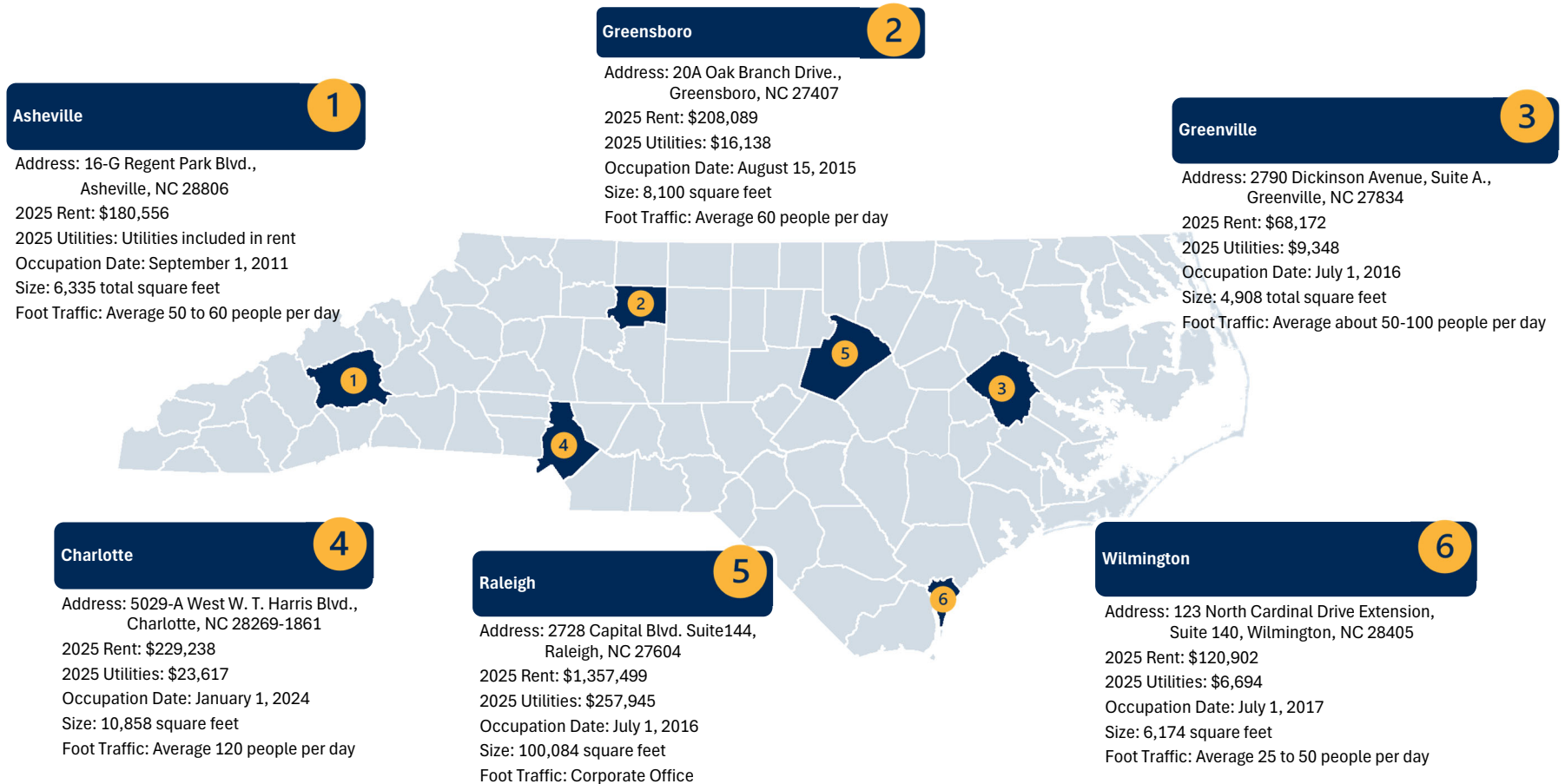
JUNE 2025



Appendix H: Regional Office Information

Below is the list of regional offices for the North Carolina Education Lottery. Prizes under \$600 can be redeemed at retailers, prizes under \$100,000 can be redeemed at regional offices or by mail, and prizes over \$100,000 must be redeemed at the corporate office.

Note that the corporate office is moving to North Raleigh in 2026 (annual rent: \$2,724,992). NCEL moved into their current Raleigh corporate office in 2015.



Appendix I: NCEL Expenditures by Vendor

The vendor payment data presented below is based on the accounting records provided by the NCEL.

Vendor Name	Amount
NeoPollard Interactive LLC	\$ 55,169,743
Spurrier Group, LLC	43,742,842
Brightstar Global Solutions Corporation	37,941,503
Scientific Games US Parent LP	31,953,385
Cactus Communications, Inc	9,925,507
Instant Win Gaming Limited	6,552,153
Cineplex Digital Media US Inc	5,000,000
BIN - CB2728 LLC	1,525,280
Pollard Banknote Limited	1,130,368
Learfield Sub, LLC	1,061,850
Softchoice Corporation	774,126
Presidio Networked Solutions LLC	717,420
NC Dept of Administration	668,970
SHI International Corp	637,453
Hurricanes Hockey Limited Partnership	390,968
Charlotte Motor Speedway LLC	349,861
NC DPS General Operations	340,276
WRAL	330,446
Dell Financial Services	301,056
Panthers Football LLC	275,000
BWM Global Inc	268,979
NC Assoc of Insurance Agents	231,854
AREPIV Northridge Holdco, LLC	229,212
Sunshine Electronic Display Corp	229,100
Hornets Basketball LLC	225,000
Duke Energy Progress	214,166
Patterson Pope	211,045
Koury Corp	209,562
Verizon Wireless Services LLC	201,123
Bank of America	196,247
Gaming Laboratories International LLC	191,576
Azalea Management & Leasing Inc	180,556
Playfly Holdings, LLC	172,500
Nexstar Media Inc	161,415
NC Education Lottery	161,200

Vendor Name	Amount
Collinsville Printing Co., Inc.	159,868
Bulletproof Solutions Inc	159,049
Automatic Data Processing Inc	151,082
Delehanty Consulting	149,800
Elsym Consulting Inc	149,000
Crowe LLP	142,163
McConnell & Jones LLP	134,859
Preston CPA	121,369
Worsley Investment & Development	120,902
NC Dept of Agriculture & Consumer Services	120,683
The Imagine Group LLC	107,840
Customer Expressions Corp.	107,325
Charter Communications	106,291
Joseph C Woodard Printing Co	103,900
Sinclair Television Group Inc	103,461
Joy Cleaning Services	97,000
Innovative Products & Imports, Inc	95,767
King International Corp	84,225
WITN	84,000
Track Enterprises LLC	80,000
Doubletree Charlotte Southpark	78,741
NC Office of the State Auditor	75,355
Lido Properties LLC	68,172
Smartplay International Inc	67,970
CDW Government LLC	65,200
Level 3 Financing, Inc	62,387
Smartsheet.com, Inc	58,750
Productions Plus Inc	51,442
City of Greensboro	50,000
WPEngine, Inc	49,680
GB Technologies Inc	47,048
Charlotte Checkers Hockey LLC	45,120
The Wright Co. Electrical & Maintenance Service	43,480
Toshiba America Business Solutions, Inc	43,032
NASPL (N American Assoc of State Pov Lotteries)	41,650
L D Plastics Inc.	40,533
NC Dept of Information Technology	40,332
Smarsh Inc	37,796
Blue Dove Promotions LLC	36,546
Durham Bulls Baseball Club Inc	36,500

Vendor Name	Amount
Competitive Edge Inc	35,841
Enbridge Gas NC	34,102
Duke Energy	33,933
RNS Communications, Inc	31,158
First Point Inc	31,074
TLF Publications, Inc	29,260
Houston King LLC	28,044
Pitney Bowes	27,571
BMC Software Inc	25,661
Greensboro Baseball LLC	24,825
CallTower, Inc	23,351
Kreller Smith Brandon	22,400
NC WFC LLC	22,250
NWN Corp	21,831
LexisNexis Risk Data Management Inc	21,596
Enterprise FM Trust	21,565
United Parcel Service, Inc	20,855
Genesco Sports Enterprises, Inc	20,500
NC Azalea Festival at Wilmington Inc	20,000
Aquimo Inc	19,997
Accent Imaging Inc	19,061
Gallagher Benefit Services, Inc	18,969
Worldwide Express Operations, LLC	18,087
Knights Baseball LLC	17,900
NC Dept of Justice	17,173
Temerity Baseball LLC	17,100
Coats & Bennett PLLC	16,940
Red Gate Software LTD	16,184
DBH Charlotte, LLC	16,000
Shortpoint, Inc	15,178
CivicPlus, LLC	15,107
DBH Winston-Salem, LLC	15,000
The NC Seafood Festival Inc	14,333
Sikes Commercial Cleaning	13,800
NC Assoc of School Administrators	13,500
NC Central University	12,000
Catapult Employers Association, Inc	11,526
Greenville Utilities Commission	11,504
Greater Raleigh Convention & Visitors Bureau	11,292
UNC Wilmington	11,000

Appendix I (continued)

Vendor Name	Amount
DeWine Seeds-Silver Dollar Baseball LLC	10,800
Union Pro Hockey Group, LLC	10,700
Mudcats Baseball LLC	10,658
Fayetteville Baseball Club LLC	10,500
AT&T	10,218
WonderWorks Prof Cleaning Serv LLC	10,200
Arts Council of Fayetteville/Cumberland Co.	10,000
Historic Morgantown Festival Inc	10,000
myFutureNC, inc.	10,000
NC Folk Festival	10,000
NC School Boards Association, Inc	9,500
Norsan Broadcasting of NC LLC	9,500
Sprintax, Inc	9,450
MedLit Solutions LLC	9,010
47160734 NC Local Government	9,000
Grammarly, Inc	9,000
Hornets D League, LLC	9,000
Pluralsight, LLC	8,891
Centurion Entertainment, Inc	8,650
SAS Institute Inc	8,523
Van Wagner Twelve Holding, LLC	8,500
City of Salisbury	8,000
DBH Hickory, LLC	8,000
Greater Raleigh Merchants Association	8,000
NC A&T State University	8,000
Swiss Bear, Inc	8,000
Barbecue Festival	7,500
National Institute of Minority Econ Dev	7,500
UNC Pembroke	7,300
Zoho Corporation	7,169
Western Carolina University	7,000
NC State Bureau of Investigations	6,916
Harland Clarke Corp	6,909
NC Whirligig Festival	6,500
Greater Raleigh Chamber of Commerce	6,395
LinkedIn Corp	6,150
Appriss Retail Information, LLC	6,120
Carolinas VA Min Supp Dev Council	6,000
Speedpro Imaging	5,920
Autobell Carwash Inc	5,535

Vendor Name	Amount
Goffstar Incorporated	5,246
Piedmont Service Group Inc	5,067
Bristol Associates, Inc	5,000
Carolinas LGBT Chambers of Commerce	5,000
Disability: In North Carolina	5,000
National Assoc. of Women Bus. Owners Greater Raleigh Chapter	5,000
NAW4 Integrated Business Solutions, LLC	5,000
NC Apple Festival Inc	5,000
NC MWBE Coordinators Network	5,000
NC Partnership for Children, Inc	5,000
Vibrations Sales Promotions & Adv	4,950
Experian Info Solutions Inc	4,602
Progressive Business Solutions	4,505
Elizabeth City State University	4,500
DBH Kinston, LLC	4,125
NC Black Bear Festival, Inc	4,050
Schafer Systems (2018) Inc.	4,045
The African-American Cultural Festival	4,000
Norex, Inc	3,950
Piedmont Natural Gas	3,897
American City Business Journals, Inc	3,800
CPR Consultants Inc	3,340
Johnson Control Fire Protection LP	3,270
Orange Recycling Service Inc	3,084
Down East Bird Dawgs LLC	3,000
Fayetteville Dogwood Festival Inc	3,000
National Council on Problem Gambling	3,000
Rocky Mount Chamber of Commerce	3,000
CAP Index, Inc	2,915
Carolina Handling LLC	2,915
Crawford Sprinkler Co. of Raleigh, Inc	2,900
NC Office of State Controller	2,870
Enterprise Leasing Company	2,816
Pitney Bowes Global Finan Serv, LLC	2,724
Zips Car Wash LLC	2,681
NC Dept of State Treasurer	2,667
Cummins, Inc	2,652
T-Mobile USA Inc	2,650
Smith Debnam Narron Drake Saintsing & Myers	2,595
BCE South	2,518

Appendix I (continued)

Vendor Name	Amount
C-M Glo, LLC	2,517
Indigo Innovation Group	2,500
NC Assoc of Student Financial Aid Administrators	2,500
NC Pickle Festival	2,500
NC Women Business Owners Hall of Fame	2,500
Gregory Poole Equipment Co	2,404
BCG NC, Inc	2,160
ScreenCloud Inc	2,160
Lindsey Griffin	2,114
Atchison Consulting Service	2,000
Insightful Visionaries, Inc	2,000
Wake County Board of Education	2,000
Proof of the Pudding by MGR, LLC	1,980
Strategic Value Media	1,980
NC Dept of Insurance	1,650
Everon, LLC	1,584
Bold Growth Agency	1,500
City of Durham	1,500
Genesis Block Labs LLC	1,500
Western Region Education Service Alliance	1,500
Moore Printing & Graphics, Inc	1,437
Security Central	1,380
Sams Xpress Car Wash LLC	1,332
Marshall's Locksmith Service	1,224
B&H Foto & Electronics Corp	1,183
VentureBridge, Inc	1,135
Joshua D. Malcolm	889
Scott Electrical Co.	825
Chris Hayes	743
Government Finance Officers Assoc	710
US Postmaster	610
Lobbyguard Solutions LLC	577
Godfrey Group, AGDKL	559
Cardinal View Inc	554
NC Office of State BM	540
NC Council for the Social Studies	508
Randy Jones	487
Rick Honeycutt	431
Wake Technical Community College	418
Raleigh Professional Womens Forum Inc	400

Appendix I (concluded)

Vendor Name	Amount
Global Equipment Co	378
Jason B Roth	351
D2G Group LLC	324
The ADT Security Corp	304
Himanshu J Patel	234
City of Charlotte	230
Amit Sharma	92
Rajan Patel	92
Annie Lomison	92
Sun Surveillance, Inc	81
Marco Promotional Products	48
Mecklenburg County	26
Forms & Supply Inc	23
Total	\$ 206,652,637

Appendix J: Top Retailers by Region

Region	Rank	Retailer Name	Address	City	Zip Code	County	Sales Amount
ASHEVILLE	1	Catamount Travel Center	3385 Hwy 441 N	Whittier	28789	JACKSON	\$ 2,706,779.00
ASHEVILLE	2	Silver Express	507-6 East King Street	Kings Mountain	28086	CLEVELAND	2,600,323.50
ASHEVILLE	3	Quick Pantry #5	401 W Mills St	Columbus	28722	POLK	2,235,613.00
ASHEVILLE	4	Buffalo Shoals Supermarket & Hardware	2887 Buffalo Shoals Road	Newton	28658	CATAWBA	2,067,374.50
ASHEVILLE	5	Raceway 6740	1913 E. Main Street	Lincolnton	28092	LINCOLN	1,988,578.00
ASHEVILLE	6	Southeast Energy LLC #1422	565 Hwy 19E Bypass	Burnsville	28714	YANCEY	1,878,616.50
ASHEVILLE	7	George's Mini Market	408 Old County Home Rd	Asheville	28806	BUNCOMBE	1,583,308.00
ASHEVILLE	8	Sparta Exxon LLC	129 N Main St.	SPARTA	28675	ALLEGHANY	1,570,112.00
ASHEVILLE	9	Citistop #202	800 Spartanburg Hwy	Hendersonville	28792	HENDERSON	1,516,359.00
ASHEVILLE	10	Run-In # 801	702 River Street	Wilkesboro	28697	WILKES	1,505,937.00
CHARLOTTE	1	Shoprite Markets #13	12922 Walker Branch Drive	Charlotte	28273	MECKLENBURG	4,221,093.00
CHARLOTTE	2	JAD Mart INc	4200 Statesville Road	Charlotte	28269	MECKLENBURG	4,010,713.00
CHARLOTTE	3	Shopton Commons BP	9311 Steele Creek Rd.	Charlotte	28273	MECKLENBURG	3,375,085.00
CHARLOTTE	4	Simon's Mart	6308 The Plaza, Suite B	Charlotte	28215	MECKLENBURG	2,870,115.50
CHARLOTTE	5	The Drive Thru Store	1621 Stokes Ferry Rd	Salisbury	28146	ROWAN	2,762,619.50
CHARLOTTE	6	Shoprite Markets #16	5045 Ridge Road	Charlotte	28269	MECKLENBURG	2,748,991.50
CHARLOTTE	7	B & M Food Service	12740 Lancaster Hwy	Pineville	28134	MECKLENBURG	2,709,465.00
CHARLOTTE	8	Xpress Mart	3826 US Hwy 74 East	Wingate	28174	UNION	2,589,250.50
CHARLOTTE	9	Sam's Mini Stop	1256 Old Charlotte Road	Concord	28027	CABARRUS	2,547,466.00
CHARLOTTE	10	Shell 115	1245 Wilkesboro Hwy	Statesville	28625	IREDELL	2,537,008.50
GREENSBORO	1	Carlton's Tanglewood	4060 Clemmons Road	Clemmons	27012	FORSYTH	5,416,809.50
GREENSBORO	2	Fairway One Stop #21	1600 S. Elm Eugene St	Greensboro	27406	GUILFORD	3,720,063.50
GREENSBORO	3	Quick Mart	201 W. Main Street	Jamestown	27282	GUILFORD	3,269,679.00
GREENSBORO	4	Dasa Express Incorporated	2809 Groometown Rd Ste C	Greensboro	27407	GUILFORD	2,586,530.50
GREENSBORO	5	Quick Snack	3750 Battleground Avenue	Greensboro	27410	GUILFORD	2,394,792.00
GREENSBORO	6	Laxmi Food Mart	4990 Reidsville Road	Walkertown	27051	FORSYTH	2,150,214.00
GREENSBORO	7	Bizzy Bee	3802 N. Main St.	High Point	27265	GUILFORD	2,146,901.50
GREENSBORO	8	Fast Fuel	1036 Randolph Street	Thomasville	27360	DAVIDSON	2,106,557.50
GREENSBORO	9	Graham Shell Family Fare #266	301 S Main St	Graham	27253	ALAMANCE	2,073,676.50
GREENSBORO	10	Quick Shop Gas Stop # 2	5814A High Point Road	Greensboro	27407	GUILFORD	2,062,136.00

Appendix J (concluded)

Region	Rank	Retailer Name	Address	City	Zip Code	County	Sales Amount
GREENVILLE	1	Race Way Tarboro 848	215 Western Boulevard	Tarboro	27886	EDGECOMBE	\$ 3,853,589.00
GREENVILLE	2	Bobby's Grocery	1209 Bolling Road	Roanoke Rapids	27870	HALIFAX	3,419,094.50
GREENVILLE	3	7 to 11	1706 W Howard Ave	TARBORO	27886	EDGECOMBE	2,670,579.00
GREENVILLE	4	K&A Mart LLC	801 Greenbriar Road	Kinston	28501	LENOIR	2,322,959.00
GREENVILLE	5	City Stop 1	235 North Fairview Rd	Rocky Mount	27801	EDGECOMBE	2,192,323.50
GREENVILLE	6	Travel Store	5450 US Highway 264 East	Washington	27889	BEAUFORT	2,177,215.50
GREENVILLE	7	Save More	1903 E Ashe St	Goldsboro	27530	WAYNE	1,816,734.50
GREENVILLE	8	Pure Gas Station	533 N. Hughes Blvd.	Elizabeth City	27909	PASQUOTANK	1,807,117.50
GREENVILLE	9	Zoom In 3	500 S. Hughes Blvd.	Elizabeth City	27909	PASQUOTANK	1,803,960.00
GREENVILLE	10	U.S. Mini Mart	221 E. Main St.	Havelock	28532	CRAVEN	1,771,800.00
RALEIGH	1	Capital Food Mart	2929 Capital Blvd	Raleigh	27604	WAKE	4,571,320.50
RALEIGH	2	GND Food Mart	4301 New Bern Ave	Raleigh	27610	WAKE	4,548,555.00
RALEIGH	3	Grocery Boy Jr.	1912 W Garner Road	Garner	27529	WAKE	4,033,126.00
RALEIGH	4	Turner Mini Mart #3	1029 Benvenue Road	Rocky Mount	27804	NASH	3,464,692.50
RALEIGH	5	Grab and Go Mart #2	1530 Benvenue Rd	Rocky Mount	27804	NASH	3,102,992.00
RALEIGH	6	Winners Mart	401 N. Madison Blvd	Roxboro	27573	PERSON	2,994,505.00
RALEIGH	7	Eagles Express	6132 Knightdale Blvd	Knightdale	27545	WAKE	2,979,359.00
RALEIGH	8	EZ Stop	1001 E Washington St	Nashville	27856	NASH	2,860,735.00
RALEIGH	9	Short Stop	300 W Main St	Carrboro	27510	ORANGE	2,747,844.50
RALEIGH	10	QuickMart	7615 Hwy. 70 West	Mebane	27302	ORANGE	2,721,906.50
WILMINGTON	1	Calabash Food & Fuel	10223 Beach Drive SW	Calabash	28467	BRUNSWICK	7,015,657.50
WILMINGTON	2	AM Station	527 S E Blvd.	Clinton	28328	SAMPSON	4,931,174.00
WILMINGTON	3	Circle V Mart	101 South McPherson church Rd.	Fayetteville	28303	CUMBERLAND	4,819,542.00
WILMINGTON	4	VaVa Food Mart	4928 Cumberland Road	Fayetteville	28306	CUMBERLAND	3,379,153.50
WILMINGTON	5	365 Fast Mart #103	101 N Reilly Road	Fayetteville	28303	CUMBERLAND	3,322,273.50
WILMINGTON	6	Short Trip #2	7383 Stoney Point Road	Fayetteville	28306	CUMBERLAND	2,561,060.00
WILMINGTON	7	EPCO 3 Way Food Mart	3138 Dunn Road	Eastover	28312	CUMBERLAND	2,343,356.00
WILMINGTON	8	VGO 28	346 North Reilly Road	Fayetteville	28303	CUMBERLAND	2,303,264.00
WILMINGTON	9	Shop N Save	4832 Ramsey St	Fayetteville	28311	CUMBERLAND	2,299,256.50
WILMINGTON	10	PMG PM 780	2238 S. 17th Street	WILMINGTON	28401	NEW HANOVER	2,287,509.00

Appendix K: Top 10 Retailers Statewide

Calabash Food & Fuel 1 Address: 10223 Beach Drive SW, Calabash, NC 28467 Region: Wilmington County: Brunswick Sales Amount: \$7,015,657.50	Carlton's Tanglewood 2 Address: 4060 Clemmons Road, Clemmons, NC 27012 Region: Greensboro County: Forsyth Sales Amount: \$5,416,809.50	AM Station 3 Address: 527 S E Blvd., Clinton, NC 28328 Region: Wilmington County: Sampson Sales Amount: \$4,931,174.00	Circle V Mart 4 Address: 101 South McPherson Church Rd., Fayetteville, NC 28303 Region: Wilmington County: Cumberland Sales Amount: \$4,819,542.00	Capital Food Mart 5 Address: 2929 Capital Blvd, Raleigh, NC 27604 Region: Raleigh County: Wake Sales Amount: \$4,571,320.50
GND Food Mart 6 Address: 4301 New Bern Ave, Raleigh, NC 27610 Region: Raleigh County: Wake Sales Amount: \$4,548,555.00	Shoprite Markets #13 7 Address: 12922 Walker Branch Drive, Charlotte, NC 28273 Region: Charlotte County: Mecklenburg Sales Amount: \$4,221,093.00	Grocery Boy Jr. 8 Address: 1912 W Garner Road, Garner, NC 27529 Region: Raleigh County: Wake Sales Amount: \$4,033,126.00	JAD Mart INC. 9 Address: 4200 Statesville Road, Charlotte, NC 28269 Region: Charlotte County: Mecklenburg Sales Amount: \$4,010,713.00	Race Way Tarboro 10 Address: 215 Western Boulevard, Tarboro, NC 27886 Region: Greenville County: Edgecomb Sales Amount: \$3,853,589.00

Appendix L: List of NC Lottery Winners (>\$100k)

Below are NCEL game winners of \$100,000 or more in FY 2025 from North Carolina.

All winning prizes above \$600 must be claimed in person. Individual tax information is taken, and 1099's are provided at the end of the year.

City	Prize	Game	Date
Advance	\$ 100,000	Cash 5	7/15/2024
Ahoskie	2,000,000	Scratch Offs	7/30/2024
Albemarle	1,000,000	PowerBall	1/3/2025
Angier	2,000,000	Scratch Offs	5/23/2025
Apex	500,000	PowerBall	11/7/2024
Asheboro	233,442	Cash 5	9/17/2024
Asheboro	233,442	Cash 5	9/17/2024
Asheboro	200,000	Scratch Offs	5/21/2025
Asheville	500,000	Lucky for Life	2/17/2025
Aurora	100,000	PowerBall	3/10/2025
Banner Elk	1,000,000	Scratch Offs	10/25/2024
Banner Elk	466,416	Digital	3/13/2025
Bear Creek	150,000	Digital	1/10/2025
Beaufort	100,000	Scratch Offs	3/3/2025
Biscoe	250,000	Scratch Offs	7/19/2024
Bolivia	1,000,000	Scratch Offs	6/6/2025
Broadway	200,000	Scratch Offs	2/14/2025
Bryson City	10,000,000	Scratch Offs	2/24/2025
Burnsville	5,000,000	Scratch Offs	1/10/2025
Burnsville	1,000,000	Scratch Offs	5/27/2025
Burnsville	200,000	Scratch Offs	8/6/2024
Burnsville	200,000	Scratch Offs	10/21/2024
Candler	200,000	Scratch Offs	1/23/2025
Carthage	100,000	Keno	4/1/2025
CARY	1,000,000	Scratch Offs	5/2/2025
Cary	110,000	Cash 5	1/23/2025
Chapel Hill	226,671	Cash 5	11/21/2024
Charlotte	1,115,683	Fast Play	10/14/2024
Charlotte	1,000,000	Scratch Offs	9/5/2024
Charlotte	1,000,000	Scratch Offs	2/5/2025
Charlotte	668,912	Digital	7/24/2024
Charlotte	606,374	Cash 5	3/28/2025
Charlotte	500,000	Lucky for Life	4/9/2025
Charlotte	404,918	Digital	12/3/2024
Charlotte	315,927	Cash 5	1/3/2025
Charlotte	200,000	Scratch Offs	8/16/2024

City	Prize	Game	Date
Charlotte	172,302	Cash 5	4/30/2025
Charlotte	150,000	Digital	2/5/2025
Charlotte	110,000	Cash 5	12/18/2024
Charlotte	100,001	Cash 5	10/30/2024
Charlotte	100,000	Pick 4	1/7/2025
Charlotte	100,000	Scratch Offs	9/16/2024
Charlotte	100,000	Scratch Offs	1/13/2025
Cherokee	150,000	PowerBall	10/21/2024
Cherryville	321,794	Cash 5	2/3/2025
China Grove	150,000	PowerBall	5/27/2025
Clarkton	100,000	PowerBall	5/6/2025
Clayton	1,000,000	Scratch Offs	2/10/2025
Clayton	427,363	Cash 5	5/29/2025
Clayton	150,000	Digital	12/9/2024
Clayton	100,000	Scratch Offs	7/8/2024
Clinton	200,000	Scratch Offs	7/16/2024
Clinton	200,000	Scratch Offs	4/11/2025
Concord	1,000,000	Scratch Offs	6/10/2025
Concord	216,033	Cash 5	6/30/2025
Concord	100,000	Scratch Offs	4/21/2025
Conover	250,000	PowerBall	8/21/2024
Conover	158,426	Digital	6/2/2025
Conover	100,000	Scratch Offs	5/30/2025
Conover	100,000	Scratch Offs	5/30/2025
Cornelius	339,703	Scratch Offs	6/9/2025
Cove City	150,000	Scratch Offs	3/6/2025
Creedmoor	1,000,000	Scratch Offs	11/15/2024
Creedmoor	100,000	Scratch Offs	10/3/2024
Currie	4,000,000	Scratch Offs	10/31/2024
Dallas	2,000,000	Scratch Offs	11/25/2024
Dallas	100,000	Cash 5	1/3/2025
Dallas	100,000	Scratch Offs	3/3/2025
Davidson	240,760	Cash 5	7/22/2024
Dobson	390,000	Lucky for Life	12/2/2024
Dudley	200,000	Scratch Offs	12/30/2024
Durham	8,000,000	Scratch Offs	1/14/2025
Durham	2,000,000	Scratch Offs	3/18/2025
Durham	250,000	Scratch Offs	5/5/2025
Durham	246,222	Cash 5	2/12/2025
Durham	200,000	Scratch Offs	10/15/2024
Durham	200,000	Scratch Offs	5/23/2025

City	Prize	Game	Date
Durham	120,000	Cash 5	1/21/2025
Durham	110,000	Cash 5	1/17/2025
Durham	100,000	Scratch Offs	1/27/2025
East Flat Rock	1,000,000	Scratch Offs	4/11/2025
Eden	100,000	Scratch Offs	9/13/2024
Edenton	100,000	Scratch Offs	4/21/2025
Efland	100,000	Scratch Offs	3/7/2025
Erwin	1,000,000	Scratch Offs	8/15/2024
Fayetteville	1,000,000	Scratch Offs	4/14/2025
Fayetteville	1,000,000	Scratch Offs	6/23/2025
Fayetteville	439,972	Cash 5	6/9/2025
Fayetteville	389,869	Cash 5	11/1/2024
Fayetteville	250,000	PowerBall	6/25/2025
Fayetteville	120,000	Cash 5	11/3/2024
Fayetteville	100,000	Scratch Offs	1/23/2025
Four Oaks	100,000	Scratch Offs	3/14/2025
Franklinton	150,000	Scratch Offs	12/27/2024
Franklinville	328,105	Digital	4/9/2025
Fuquay Varina	110,890	Fast Play	11/22/2024
Fuquay Varina	110,000	Cash 5	7/22/2024
Fuquay Varina	100,000	Scratch Offs	1/9/2025
Garner	1,000,000	Scratch Offs	5/23/2025
Garner	150,000	Scratch Offs	11/12/2024
Gastonia	1,000,000	Scratch Offs	10/23/2024
Gastonia	217,105	Fast Play	9/23/2024
Gastonia	100,000	PowerBall	4/3/2025
Goldsboro	1,000,000	Scratch Offs	12/6/2024
Goldsboro	1,000,000	Scratch Offs	3/31/2025
Goldsboro	435,127	Cash 5	4/11/2025
Goldsboro	242,336	Digital	12/9/2024
Goldsboro	150,000	PowerBall	10/23/2024
Graham	439,527	Cash 5	8/19/2024
Greensboro	2,000,000	Scratch Offs	5/30/2025
Greensboro	246,260	Cash 5	7/9/2024
Greensboro	200,000	Scratch Offs	6/20/2025
Greensboro	160,756	Cash 5	8/26/2024
Greensboro	150,000	Scratch Offs	10/10/2024
Greensboro	150,000	Scratch Offs	12/2/2024
Greensboro	110,000	Cash 5	1/13/2025
Greenville	100,000	Cash 5	7/12/2024
Greenville	2,000,000	Scratch Offs	12/23/2024

City	Prize	Game	Date
Greenville	1,000,000	Scratch Offs	10/9/2024
Greenville	1,000,000	Scratch Offs	3/17/2025
Greenville	250,000	Scratch Offs	2/21/2025
Halifax	179,387	Cash 5	6/6/2025
Hamlet	110,000	Cash 5	2/12/2025
Hendersonville	100,000	Scratch Offs	11/8/2024
Hertford	150,000	Scratch Offs	10/7/2024
Hertford	150,000	Scratch Offs	6/27/2025
Hickory	320,722	Cash 5	3/26/2025
Hickory	100,000	Scratch Offs	6/23/2025
High Point	1,000,000	Scratch Offs	11/12/2024
High Point	1,000,000	Scratch Offs	11/14/2024
High Point	200,000	Scratch Offs	11/5/2024
Hillsborough	512,119	Cash 5	6/24/2025
Holly Ridge	153,453	Digital	3/18/2025
Hubert	200,000	Scratch Offs	6/18/2025
Hudson	307,494	Digital	9/23/2024
Huntersville	1,000,000	Scratch Offs	5/7/2025
Hurdle Mills	150,000	PowerBall	1/31/2025
Indian Trail	110,000	Cash 5	9/23/2024
Jacksonville	103,096	Digital	10/28/2024
Jacksonville	100,000	Scratch Offs	12/17/2024
Jacksonville	100,000	Scratch Offs	6/11/2025
Kenansville	1,000,000	Scratch Offs	3/7/2025
Kernersville	250,000	Scratch Offs	11/6/2024
Kill Devil Hills	200,000	Scratch Offs	12/10/2024
Knightdale	500,000	Lucky for Life	7/17/2024
Lake Toxaway	1,000,000	Scratch Offs	2/3/2025
Leland	500,000	Lucky for Life	7/26/2024
Leland	100,000	Cash 5	3/4/2025
Leland	100,000	Scratch Offs	11/12/2024
Lenoir	150,000	PowerBall	7/11/2024
Lexington	200,000	Scratch Offs	1/30/2025
Lexington	100,000	PowerBall	5/20/2025
Lexington	100,000	Scratch Offs	6/11/2025
Liberty	100,000	Scratch Offs	8/20/2024
Lincolnton	2,400,000	Scratch Offs	8/9/2024
Lincolnton	1,000,000	Scratch Offs	8/6/2024
Lincolnton	1,000,000	Scratch Offs	8/15/2024
Louisburg	100,000	Cash 5	11/15/2024
Louisburg	100,000	Scratch Offs	7/26/2024

City	Prize	Game	Date
Lumberton	1,000,000	Scratch Offs	3/7/2025
Mars Hill	100,000	PowerBall	10/14/2024
Marvin	100,000	Digital	4/17/2025
Matthews	379,747	Digital	8/23/2024
Mebane	4,000,000	Scratch Offs	10/14/2024
Mebane	1,000,000	Scratch Offs	7/19/2024
Mebane	1,000,000	Scratch Offs	11/15/2024
Micro	100,000	Scratch Offs	10/11/2024
Midland	332,952	Cash 5	1/21/2025
Monroe	130,000	Cash 5	9/23/2024
Monroe	100,000	Scratch Offs	11/4/2024
Mooreville	324,567	Cash 5	2/27/2025
Mooreville	150,000	Scratch Offs	11/13/2024
Mooreville	100,000	Scratch Offs	11/18/2024
Morganton	400,000	Keno	6/26/2025
Morganton	200,000	Scratch Offs	10/10/2024
Mooreville	1,331,466	Digital	10/24/2024
Nashville	202,013	Digital	5/15/2025
Nashville	150,000	Scratch Offs	6/12/2025
Nebo	100,000	Scratch Offs	1/17/2025
New Bern	6,745,118	Digital	4/22/2025
New Bern	287,870	Fast Play	8/12/2024
New London	100,000	Scratch Offs	11/12/2024
Newport	346,088	Cash 5	9/6/2024
Oxford	487,751	Cash 5	7/2/2024
Oxford	161,535	Digital	9/3/2024
Oxford	100,000	Scratch Offs	2/3/2025
Parkton	343,099	Digital	7/16/2024
Pembroke	100,000	Scratch Offs	3/24/2025
Pfafftown	1,136,065	Fast Play	3/31/2025
Pfafftown	415,970	Fast Play	4/11/2025
Pittsboro	1,000,000	Scratch Offs	4/15/2025
Pittsboro	500,000	Lucky for Life	1/15/2025
Pittsboro	369,962	Cash 5	4/7/2025
Pollocksville	1,000,000	Scratch Offs	3/31/2025
Raeford	780,795	Digital	4/16/2025
Raleigh	633,202	Cash 5	12/23/2024
Raleigh	500,000	Lucky for Life	7/15/2024
Raleigh	483,337	Digital	8/12/2024
Raleigh	461,435	Digital	5/9/2025
Raleigh	250,000	PowerBall	9/17/2024

City	Prize	Game	Date
Raleigh	200,000	Scratch Offs	8/29/2024
Raleigh	177,750	Digital	12/6/2024
Raleigh	150,000	PowerBall	7/22/2024
Raleigh	150,000	PowerBall	5/20/2025
Raleigh	100,000	Pick 4	1/21/2025
Raleigh	100,000	PowerBall	10/1/2024
Raleigh	100,000	Scratch Offs	1/3/2025
Reidsville	250,000	Scratch Offs	7/29/2024
Richlands	1,000,000	Scratch Offs	1/23/2025
Roaring river	500,000	PowerBall	11/27/2024
Rocky Mount	1,000,000	Scratch Offs	9/13/2024
Rocky Mount	319,149	Cash 5	4/21/2025
Rocky Mount	160,691	Cash 5	12/10/2024
Rocky Mount	100,001	Cash 5	12/9/2024
Rocky Point	1,000,000	Scratch Offs	10/21/2024
Roxboro	178,913	Fast Play	10/1/2024
Salisbury	1,200,000	Scratch Offs	8/21/2024
Salisbury	383,181	Fast Play	12/18/2024
Salisbury	268,966	Cash 5	4/1/2025
Salisbury	200,000	Scratch Offs	1/27/2025
Sanford	496,217	Cash 5	1/2/2025
Sanford	161,582	Cash 5	9/6/2024
Sanford	150,000	Scratch Offs	11/22/2024
Scotland Neck	250,000	Scratch Offs	2/5/2025
Seaboard	150,000	Scratch Offs	5/28/2025
Selma	200,000	Scratch Offs	4/8/2025
Seven Springs	200,000	Scratch Offs	9/20/2024
Shannon	500,000	Lucky for Life	2/21/2025
Smithfield	1,000,000	Scratch Offs	10/28/2024
Smithfield	100,000	Scratch Offs	2/18/2025
Southmont	100,000	PowerBall	12/17/2024
Stanfield	1,000,000	Scratch Offs	5/28/2025
Stanley	110,000	Cash 5	2/21/2025
Statesville	4,000,000	MegaMillions	1/27/2025
Stokesdale	545,886	Digital	12/27/2024
Stokesdale	200,000	Scratch Offs	7/19/2024
Swannanoa	200,000	Scratch Offs	1/13/2025
Tarboro	250,000	Scratch Offs	3/27/2025
Taylorsville	5,000,000	Scratch Offs	2/4/2025
Taylorsville	1,166,490	Digital	3/20/2025
Thomasville	2,000,000	Scratch Offs	5/5/2025

City	Prize	Game	Date
Thomasville	1,000,000	Scratch Offs	7/10/2024
Thomasville	230,858	Cash 5	10/16/2024
Trinity	200,000	Scratch Offs	8/1/2024
Valdese	1,000,000	PowerBall	9/23/2024
Vale	200,000	Scratch Offs	9/24/2024
Wagram	324,564	Cash 5	10/8/2024
Wagram	110,000	Cash 5	11/22/2024
Wake Forest	1,000,000	Scratch Offs	3/3/2025
Wake Forest	1,000,000	Scratch Offs	3/3/2025
Wake Forest	150,000	PowerBall	5/2/2025
Warsaw	912,326	Digital	6/9/2025
Waynesville	100,000	Scratch Offs	3/25/2025
West End	1,134,413	Cash 5	8/6/2024
Whiteville	1,000,000	Scratch Offs	5/5/2025
Williamston	100,000	Scratch Offs	9/23/2024
Willow Spring	1,000,000	Scratch Offs	6/12/2025
Wilmington	200,757	Cash 5	1/8/2025
Wilmington	100,000	Scratch Offs	3/6/2025
Wilson	1,000,000	Scratch Offs	10/31/2024
Wilson	250,000	Scratch Offs	4/14/2025
Winston Salem	10,000,000	Scratch Offs	6/26/2025
Winston Salem	100,000	Scratch Offs	11/5/2024
Winterville	569,347	Cash 5	7/8/2024
Yadkinville	500,000	Lucky for Life	5/14/2025
Youngsville	1,000,000	Scratch Offs	7/12/2024
Zebulon	100,000	Scratch Offs	10/21/2024

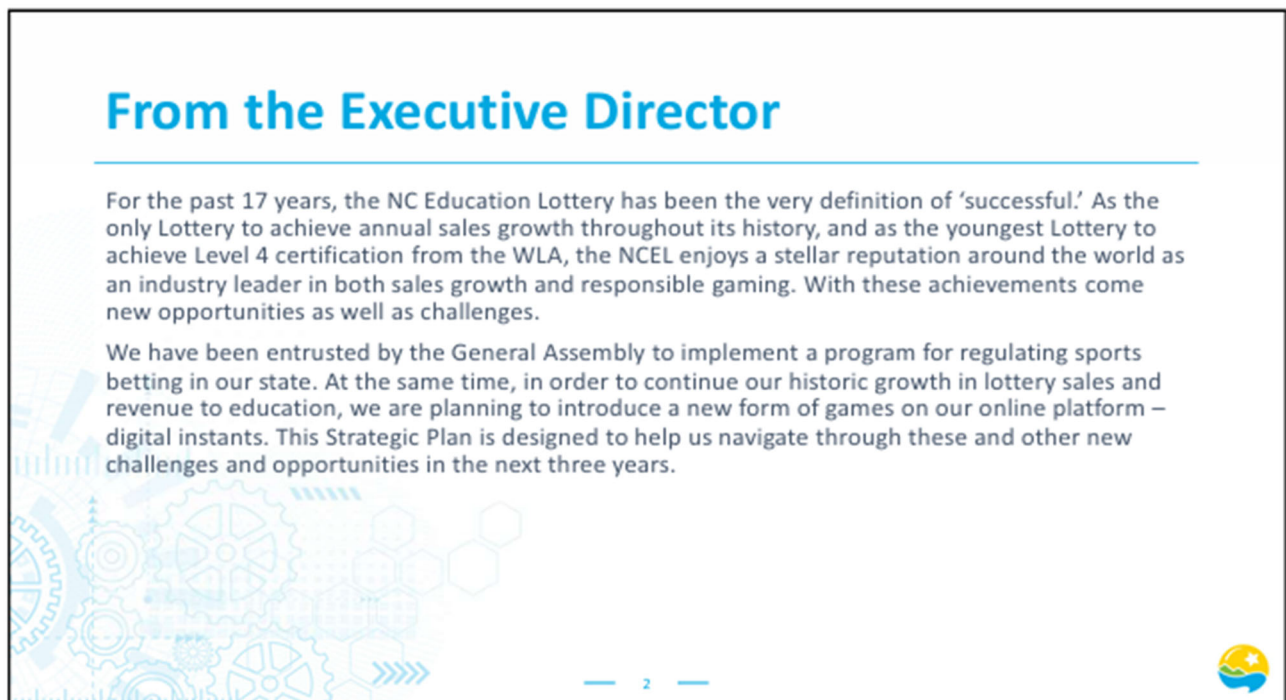
Below is the list of winners not from North Carolina.

Date	City	State	Game	Prize
10/4/2024	Lancaster	SC	Cash 5	\$ 198,217
3/13/2025	Grafton	NEW SOUTH WALES	Cash 5	186,338
5/16/2025	Luverne	AL	Cash 5	120,009
7/17/2024	Leesburg	AL	Powerball	100,000
10/11/2024	New Smyrna Beach	FL	Scratch Offs	200,000
11/13/2024	Norfolk	VA	Scratch Offs	100,000
12/17/2024	Gaffney	SC	Scratch Offs	250,000
1/2/2025	Inman	SC	Scratch Offs	5,000,000
3/5/2025	Victor	MT	Scratch Offs	100,000
5/27/2025	Simpsonville	SC	Scratch Offs	1,000,000
6/11/2025	Danville	VA	Scratch Offs	155,241
6/12/2025	Troutdale	VA	Scratch Offs	100,000
8/2/2024	Fort Mill	SC	Digital	260,591
2/17/2025	Raleigh	TX	Digital	717,539
3/18/2025	Rock Hill	SC	Digital	150,000

Appendix M: North Carolina Education Lottery Strategic Plan - 2023



1



Introduction

At the North Carolina Education Lottery, we're in the business of possibilities. We know that lottery players opt to play for the chance to dream about life changing possibilities for themselves and their community. Our players feel energized as they dream about personal wins and optimistic as they imagine the positive impact play can have on education and the community as a whole in our state.

To accomplish our mission to raise revenue to maximize contributions to education, we provide entertaining games through a dynamic business enterprise built upon honesty, integrity, innovation and teamwork. Over the past 17 years the NCEL has contributed more than \$10 billion to education and has grown fiscal year sales to more than \$4 billion, making it one of the most successful lotteries in the country and the only US lottery to achieve year-over-year growth in sales for every year since inception.



3

Introduction

Our mission extends well beyond meeting the goal of dollars raised for education, but also encompasses protecting the interests of those who play our games. From the way we design and advertise our games, to the tools we develop to help players stay in control of their play, responsible gaming is at the heart of everything we do.

The next several years will offer new opportunities for the lottery and our players. We will continue to expand our portfolio of games as we strive to appeal to an increasing number of North Carolinians. Our new strategic plan, developed with the input of key stakeholders, will focus our energy and resources as we work together towards our common goal. We will continue to grow and evolve our business as we seek to create a world of winning possibilities for the entire state, and through the fun of play, raise billions for education.



4



5

Revenue for Education

The NCEL enjoys storied success in the industry for years of consistent growth. As we look ahead for the coming years, we will build upon that foundation for our future success. We will enthusiastically continue to be the model for best practices, transparency, and increased return to education aligned with expanded efforts to ensure responsible play. We will continue to expand our portfolio of games and increase the number of North Carolinians engaged in lottery games to support the expanding education needs.

6

Revenue for Education

- ★ Optimize the retail and online game portfolio to increase playership and sales.
- ★ Team: Product Development & Digital Gaming
- ★ Refresh our retail experience to engage players.
- ★ Teams: Sales and Brand Management & Communications
- ★ Develop a holistic view of the player experience from game awareness through prize claims in order to uncover new opportunities for sales growth and engagement.
- ★ Teams: Product Development & Digital Gaming, Sales, and Brand Management & Communications
- ★ Continue to evolve our Sales Organization to recruit, develop and expand our retail partnerships to maximize revenue for education.
- ★ Team: Sales

— 7 —



7

People

The NCEL team is our most vital resource for continued success. In order to meet our mission for education effectively and efficiently and with the highest degree of integrity, we will focus on enhancing the employee experience. What lottery employees do every day as stewards of the player experience determines the lottery's future, and so sustaining an environment where employees feel valued, understood, and safe remains key. Our focus also includes a continued commitment to creating a diverse workplace, and ensuring we set the industry standard for Diversity, Equity and Inclusion. To further empower our employees and attract new ones, we will create programs to guide career growth. During our strategic planning process, many employees shared their ideas about increased interaction with the entire lottery team, mentoring programs, and other opportunities to cultivate their skill sets. As our business continues to mature, we will develop succession plans to prepare the new leaders who will guide our growth in the years ahead.

— 8 —



8

People

- ★ Succession Planning to establish opportunities for current and future staff to ensure continuity of operations and sustained growth.
- ★ Team: Human Resources
- ★ Cross Training opportunities to encourage employees to learn the entire lottery business and to identify areas of interest.
- ★ Teams: Human Resources and ALL
- ★ Raise the profile of the NCEL as an employer for both potential and existing employees.
- ★ Teams: Human Resources and Brand Management & Communications
- ★ Set the standard for the lottery industry to develop our Diversity, Equity and Inclusion programs for employees and business partners.
- ★ Teams: Human Resources and Legal
- ★ Develop a new standard for employee communications that is meaningful and effective at engaging our employees and partners.
- ★ Teams: Brand Management & Communications and Human Resources
- ★ Develop Employee Resource Groups to meet the needs of our employees. We will launch and develop the North Carolina Chapter of the NASPL initiative, Women in Lottery Leadership (WILL).
- ★ Teams: Human Resources, Finance, Administration & Security and Brand Management & Communications

9



9

Innovation

In an increasingly digital marketplace, innovation will determine how lotteries remain relevant in the future. Our continued success will rely on our ability to embrace technology in this time of great change. We will employ advanced equipment to make the traditional lottery retail experience function better, and we will develop innovative, new games and product offers for those who prefer an online play experience. Improved technology will allow us to keep our internal business systems performing efficiently while continuously refreshing fun products and evolving value propositions to maintain our existing players and attract new ones.

— 10 —



10

Innovation

- ★ We will expand our portfolio with new games to optimize the digital channel.
- ★ Team: Product Development & Digital Gaming
- ★ Continue to evolve our business processes and systems to optimize our performance across the organization. Evaluate our business partnerships to ensure that we are leveraging the most innovative technology to meet the needs of North Carolinians.
- ★ Team: ALL
- ★ Evaluate and Improve the mobile experience for Lottery players, leveraging new and emerging technology to deliver an outstanding experience for our players.
- ★ Team: Product Development & Digital Gaming
- ★ Explore opportunities to refresh our infrastructure to embrace innovation in an omnichannel environment.
- ★ Teams: Product Development & Digital Gaming and MIS/Gaming Systems
- ★ Develop a 360° view of our player experience to uncover opportunities for advancement.
- ★ Teams: Product Development & Digital Gaming, MIS/Gaming Systems, Sales, and Brand Management & Communications
- ★ Continue to build out the retailer platform to improve the Lottery retailer experience – training, reporting, and responsible gaming.
- ★ Team: Sales

— 11 —



11

Integrity and Trust

Paramount to the NCEL's future success will be its efforts to continue building on the trust established with players and the public. The lottery's integrity can be seen not only in the games and promotions it offers, but also in its administrative processes and security measures. As both sales and player winnings increase, the lottery must aspire to share the benefits to education resulting from the money raised. Along with its commitment to education, the NCEL will maintain its reputation as a socially responsible organization. With this spirit of deep commitment to our players, the NCEL seeks to evolve its existing Play Smart program to better educate players and keep play fun. These efforts will ensure that as we grow, our players' confidence in our operational integrity does as well, and we continue to keep the interest of these players and stakeholders uppermost in mind.

— 12 —



12

Integrity and Trust

- ★ WLA Recertification Process – Focus on continuous improvement to foster responsible gaming across North Carolina.
- ★ Team: Brand Management & Communications
- ★ Launch Moving North Carolina Forward - a platform which will showcase beneficiary and player stories that clearly demonstrate our impact.
- ★ Team: Brand Management & Communications
- ★ Continue to perform due diligence in the management of administrative operations.
- ★ Teams: Finance, Administration & Security and MIS/Gaming Systems
- ★ Continue to involve law enforcement and retail loss prevention on proactive security measures through annual information symposiums.
- ★ Team: Finance, Administration & Security

— 13 —



13

Integrity and Trust

- ★ Evaluate and improve our online player engagement to effectively deliver information efficiently and provide a more seamless experience.
- ★ Team: Product Development & Digital Gaming
- ★ Engage all stakeholders to ensure balance with retail and online play.
- ★ Team: Sales
- ★ Refresh our Play Smart program to expand our reach for all players and retailers.
- ★ Teams: Sales and Brand Management & Communications

— 14 —



14

Expansion

North Carolina is experiencing dramatic changes in the landscape of gaming. These changes offer opportunities for the lottery to continue its remarkable success while securing fair and responsible gaming values for North Carolinians. The NCEL has been tasked with ensuring the integrity of sports betting through proper licensing, financial review, and oversight as defined by the North Carolina Legislature. We will develop the necessary infrastructure with staff and technology to manage these responsibilities and mitigate risk, with the same level of efficiency as we do our lottery game play today. In addition, we will continue to focus on producing products and innovative opportunities that enhance the fun and excitement of traditional lottery games.

— 15 —



15

Expansion

- ★ Develop a Gaming Compliance Department to align with legislation that establishes the NCEL Commission as the regulatory agency for sports betting.
- ★ Teams: Gaming Compliance & Sports Betting, Finance, Administration & Security, and Legal
- ★ Build the appropriate infrastructure with technology and staff to issue sports betting licenses within the prescribed legislative timeline.
- ★ Teams: Gaming Compliance & Sports Betting, Legal, and MIS/Gaming Systems.
- ★ Develop and launch the licensing and regulatory best practices to assign licenses to sports betting partners and to monitor their efforts with integrity to support North Carolinians.
- ★ Teams: Gaming Compliance & Sports Betting and Legal
- ★ Evaluate opportunities to grow our portfolio of lottery games to broaden the platform for North Carolinians who enjoy our games for education.
- ★ Team: Product Development & Digital Gaming
- ★ Keep a relentless focus on improving our business to improve the player experience across all of our channels, our retail expansion, our current and potential employees, and stakeholders.
- ★ Teams: Product Development & Digital Gaming, MIS/Gaming Systems, Sales, Brand Management & Communications, and Human Resources

— 16 —



16

Appendix N: NCEL Salaries

Salaries were provided by NCEL and are as of June 30, 2025.

Job Title	Number of Employees	Average Salary
Chief Executive Officer	1	\$ 258,177.68
Chief Legal Officer	1	245,698.20
Chief Product Officer	1	209,107.88
Chief Technology Officer	1	196,238.75
Chief Sales Officer	1	196,003.09
Chief Brand Officer	1	182,934.45
Chief Financial Officer	1	182,104.27
Chief Regulatory Officer	1	181,000.04
Chief Business Development Officer	1	180,250.02
Director of Gaming Systems	1	172,442.85
Chief Government Affairs Officer	1	160,000.10
Director of MIS	1	157,323.13
Director of Corporate Communications	1	155,403.27
Director of Finance	1	155,403.27
Director of Advertising	1	152,471.39
Director of Administration	1	152,470.86
Director of Marketing	1	149,950.33
Network Manager	1	146,606.84
Director of E-Commerce and Digital Platforms	1	145,602.86
Applications Development Manager	1	143,941.70
Software Quality Assurance Manager	1	141,275.48
Director of Sales	2	140,743.09
Director of Regulatory Affairs	1	139,558.64
Director of Product Development	1	136,000.02
e-Commerce UX Tech Lead	1	136,000.02
Director of Security	1	135,177.94
Director of Human Resources	1	130,000.00
Full Stack Developer Tech Lead	1	130,000.00
Director of Online & Digital Gaming Systems	1	129,000.04
Senior Network Security Engineer	1	127,948.08
Gaming Reporting and Analysis Manager	1	127,947.61
Senior Web Developer	1	126,009.81
Senior IT Project Manager	1	124,836.04
Applications Developer	2	119,951.51
Draw & Digital Games Product Manager	1	118,594.43
Financial Reporting Manager	1	117,977.95
Director of Internal Audit	1	117,420.12
Director of Supplier Engagement	1	117,285.96

Job Title	Number of Employees	Average Salary
Computing Services Manager	1	116,412.93
Database Administrator	2	116,316.52
Scratch-off Games Manager	1	112,000.20
Associate Attorney	1	110,000.02
Network Engineer	1	109,046.29
e-Commerce Manager	1	107,907.60
Insights & Analytics Manager	1	107,801.02
Associate Attorney-NCEL, Regulatory	1	107,500.12
Communications Manager	1	107,120.27
Systems Administrator	2	106,174.00
Retail Accounting Manager	1	105,338.06
Cash Accounting Manager	1	104,199.91
Marketing Manager	1	101,531.82
Talent Acquisition & Development Manager	1	100,134.70
Digital Communications Manager	1	99,133.13
Facilities Manager	1	96,929.94
Creative Services Manager	1	96,929.67
Information Security Manager	1	96,866.47
Digital Project Manager	1	96,299.81
Front-End Web Developer	1	95,000.10
Project Manager	3	94,980.14
Corporate Social Responsibility Manager	1	94,286.40
Player Protection Manager	1	93,000.18
Data Analyst/Programmer	1	92,700.04
Sales Project Coordinator	1	92,076.87
Digital Multimedia Production Manager	1	91,927.94
Gaming Operations Manager	1	90,487.02
Senior Financial Analyst	1	89,210.61
Corporate Accounts Manager	2	88,868.49
Regional Manager	6	88,612.32
Security Investigations Manager	1	88,118.25
Advertising Manager	1	87,550.25
Marketing & Advertising Budget Analyst	1	86,675.88
IT Auditor	1	86,115.91
Retailer Administration Manager	1	85,099.88
Compliance Manager	1	84,728.97
Security Operations Manager	1	84,070.74
Purchasing Manager	1	82,755.56
Security Threat Manager	1	82,261.14
Sr. Sports Marketing Representative	1	81,100.82
Executive Assistant	1	80,340.00

Job Title	Number of Employees	Average Salary
Regulatory Investigator	2	79,013.09
Gaming Reporting and Analysis Specialist	2	78,626.08
Accountant	1	78,241.79
Reporting & Compliance Supervisor	1	78,241.79
Assistant Regional Manager - Raleigh	1	78,000.00
Sales Manager	2	78,000.00
Prize Validation Manager	1	77,790.54
Lead Software Quality Assurance Analyst	1	77,220.00
Investigator II	1	75,233.05
Information Security Coordinator (Digital)	1	74,480.80
Security Systems Administrator	2	73,934.96
Sr. Community Marketing Representative	1	73,351.49
Inventory Control Manager	1	73,167.78
Sr. Graphic Designer	1	72,824.46
Security Operations Shift Supervisor	2	72,364.02
Retail Accountant	1	72,223.79
Investigations Supervisor	1	72,100.06
Retailer Administration Supervisor	1	71,327.99
Customer Service Manager	1	71,169.72
Paralegal	1	71,149.10
Software Quality Assurance Analyst	4	70,599.14
Computing Services Technician II	3	70,312.67
Business Analyst	1	70,023.54
Budget Administrator	1	69,437.06
Digital Systems Investigator	1	67,984.02
HR Generalist	1	67,984.02
Administrative Operations Manager	1	67,859.72
Digital Content Specialist	1	67,650.56
Scratch-off Games Coordinator	1	67,649.49
Office Manager	5	67,408.42
Corporate Social Responsibility Specialist	1	67,320.10
Public Relations Specialist	1	67,320.10
Senior Administrative Assistant	1	66,243.01
Merchant Card Accountant	1	65,783.20
Internal Audit Assistant	1	64,679.06
RCA Compliance Representative	1	64,663.26
Security Operations Specialist II	1	64,272.00
Sales Coordinator	1	63,907.79
Digital Gaming Accountant	1	63,900.29
Digital Engagement Coordinator	1	63,472.35
Compliance Specialist	3	63,040.16

Job Title	Number of Employees	Average Salary
Retailer Admin Installation & Training Analyst	2	62,804.46
Investigator I	5	62,369.12
Sales Representative	69	62,278.77
Brand Communications Specialist	1	61,804.08
e-Commerce Specialist	1	61,804.08
Information Security Coordinator	1	61,804.08
Motion Graphics Designer	1	61,804.08
Public Information Officer	1	61,804.08
Graphic Designer	1	61,800.21
Customer Service Supervisor	1	61,326.20
Advertising Coordinator	1	60,550.12
Lead Data Analyst	1	59,845.00
UX/UI Specialist	1	58,923.80
Administrative Assistant-BMC	1	58,808.88
Digital Games Coordinator	1	57,871.58
Prize Validation Supervisor	1	57,871.58
Digital Promotions Coordinator	1	57,822.30
Inventory Control Analyst	1	57,822.30
CRM Coordinator	1	57,821.23
Facilities Operations Specialist Lead	1	57,470.40
Tax & Setoff Accountant	1	57,309.20
Gaming Systems Operator II	2	57,052.12
Draw Program Manager	1	56,186.00
Accounts Payable Clerk	1	56,002.34
Sports Marketing Representative	1	54,716.90
Gaming Financial Analyst	2	53,957.55
Community Marketing Representative	1	52,617.34
Security Operations Specialist I	8	52,341.20
Facilities Operations Specialist	1	52,253.14
Gaming Systems Operator	6	51,938.92
Accounts Receivable Team Lead	1	51,084.80
Licensing Specialist	1	47,839.79
Retailer Administration Credit Analyst	2	47,143.51
Prize Validation Specialist	3	46,787.87
Human Resources Coordinator	1	46,446.40
Data Analyst	1	45,868.78
Customer Service Representative II	1	45,226.06
Administrative Operations Specialist	1	41,991.04
Collections Coordinator	1	41,412.59
Claims Representative	12	41,374.23
Warehouse Operations Clerk	2	40,319.03

Appendix N (concluded)

Job Title	Number of Employees	Average Salary
Customer Service Representative I	5	40,278.58
Retailer Administration Analyst	1	40,227.20
Receptionist	2	20,122.49

Ordering Information

Copies of this report may be obtained by contacting:



Office of the State Auditor
State of North Carolina
20601 Mail Service Center
Raleigh, North Carolina 27699

Telephone: 919-432-4050
Fax: 919-807-7647
Internet: www.auditor.nc.gov



**To report alleged incidents of fraud, waste or abuse in state government
contact the Office of the State Auditor's Tipline:**

Telephone: 1-800-730-8477

Internet: www.auditor.nc.gov/about-us/state-auditors-tipline

This audit required 1,124 hours of auditor effort at an approximate cost of \$175,220. The cost of the contractor's effort was \$139,503. As a result, the total cost of this audit was \$313,723.