



# POPULAR ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2023



California Lottery is an Enterprise Fund of the State of California



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# POPULAR ANNUAL FINANCIAL REPORT FISCAL YEAR 2023

## A message from the Chief Financial Officer

I am pleased to present the Popular Annual Financial Report (PAFR) from the California State Lottery (Lottery) for the fiscal year ending June 30, 2023. The PAFR is designed to serve as the user-friendly companion to the Lottery's Annual Comprehensive Financial Report (ACFR). This report presents a general overview of the Lottery's financial position and provides information on sales, expenses, and the money given to our beneficiary, California public schools.



The financial data presented in this PAFR is derived from the Lottery's ACFR but is presented with additional explanation and description in order to be of more interest to the general public rather than to financial analysts. The ACFR contains more detailed financial information prepared in conformance with Generally Accepted Accounting Principles and audited by an independent accounting firm. The most recent ACFR and PAFR are both available on the Lottery's website at [www.calottery.com/about-us](http://www.calottery.com/about-us).

The California Lottery celebrated its 38th anniversary and has once again broken its all-time sales and contribution records during the fiscal year ended June 30, 2023. Lottery sales were nearly \$9.24 billion in fiscal year 2022-23, shattering the previous sales record of \$8.85 billion set the prior year and surpassing the \$9 billion sales threshold for the first time. The increase in sales led to a record-high transfer of funds to the Lottery's beneficiary, California public schools. For the second year in a row, the Lottery transferred more than \$2 billion to its beneficiary during a single fiscal year, fulfilling its mission to earn supplemental funding for education in a spectacular way. Fiscal year 2022-23 marked the 23rd consecutive year the Lottery transferred more than \$1 billion to California public schools.

Going forward, the Lottery continues to deploy strategies to further its multi-year strategic plan and drive bottom-line contributions to education, as well as to maintain its operational growth. These business initiatives will provide balanced tactics in delivering sales growth and provide investments for continued growth in contributions to education in future years.

We hope this report showcases our mission, dedication, and commitment to support California public schools while returning a substantial amount of revenue to communities throughout the state.

Sincerely,

A handwritten signature in black ink, appearing to be 'N Buchen', followed by a horizontal line.

Nicholas Buchen, Chief Financial Officer  
Deputy Director, Finance Division  
July 2024

## California Lottery

The California Lottery stands out as one of the largest and most rapidly expanding lotteries in the United States. Initiated by a ballot measure in 1984, the Lottery focuses on responsibly marketing and selling lottery products to adults in California. The Lottery operates without state funding and is solely funded by the revenue generated through the sales of its games. The Lottery's sole objective is to provide supplementary funding for public education. During fiscal year 2022-23, a record-breaking transfer of more than \$2.3 billion was made to support California's public schools.



In the 2022-23 fiscal year, the Lottery introduced 53 new Scratchers® games to cater to the diverse entertainment preferences of players. In that period, the Lottery's retailer partners paid prizes that are less than \$600 adding up to billions of dollars directly to winners while the Lottery successfully processed approximately 200,000 prize claims. During the fiscal year, the Lottery worked tirelessly to extend the initiative of issuing same-day checks for qualifying prizes at all Lottery District Offices across the state to streamline prize claim processing. Thanks to these efforts, prize money was able to reach the winners at a much faster pace.

The Lottery also bolstered efforts as part of a larger communications campaign to educate California adults about the Lottery's important mission of providing extra funding for public schools throughout the state. The Lottery understands not everyone realizes our sole purpose is to support education, which is why Lottery is working diligently to help adults comprehend the meaningful and impactful ways in which the Lottery benefits California.





The Lottery achieved a remarkable \$9.24 billion in lottery sales during the 2022-23 fiscal year, surpassing the previous sales record of \$8.85 billion set in the prior fiscal year. Additionally, for the second consecutive year, the Lottery has transferred over \$2 billion to education in a single fiscal year, which is another record achievement. This milestone marks the 23rd consecutive year that the Lottery transferred more than \$1 billion to its beneficiary.

Since its inception, the Lottery has awarded more than \$84.7 billion in prizes and has contributed more than \$43.8 billion to public education. Through the support of its retail partners and players, the Lottery has consistently returned over 95.5 percent of its revenue to the community in form of prizes, education funding, and retailer compensation and bonuses. The Lottery is committed to implementing cost-saving measures to maintain low administrative costs and maximize funding for California's public schools.

During fiscal year 2022-23, the Lottery's extensive network of over 23,000 retail partners across the state amassed an impressive sum of more than \$633.2 million in commissions and bonuses. Simultaneously, fortunate players were able to claim an astounding total of more than \$5.9 billion in prizes, marking a remarkable achievement and setting new records in both categories.

	FY 2022-23	FY 2021-22	FY 2020-21
Lottery Sales	\$9,239,353,311	\$8,853,250,168	\$8,417,943,817
Revenue returned to the Public:			
Prizes	\$5,960,301,724	\$5,825,673,018	\$5,610,605,541
Allocation of Sales to Education <sup>1</sup>	2,231,053,935	2,015,049,317	1,857,730,878
Retailer Compensation	633,200,226	614,710,750	585,861,906
Total Revenue returned to the Community	\$8,824,555,885	\$8,455,433,085	\$8,054,198,325
Percentage of Revenue returned to the Community	95.51%	95.51%	95.68%

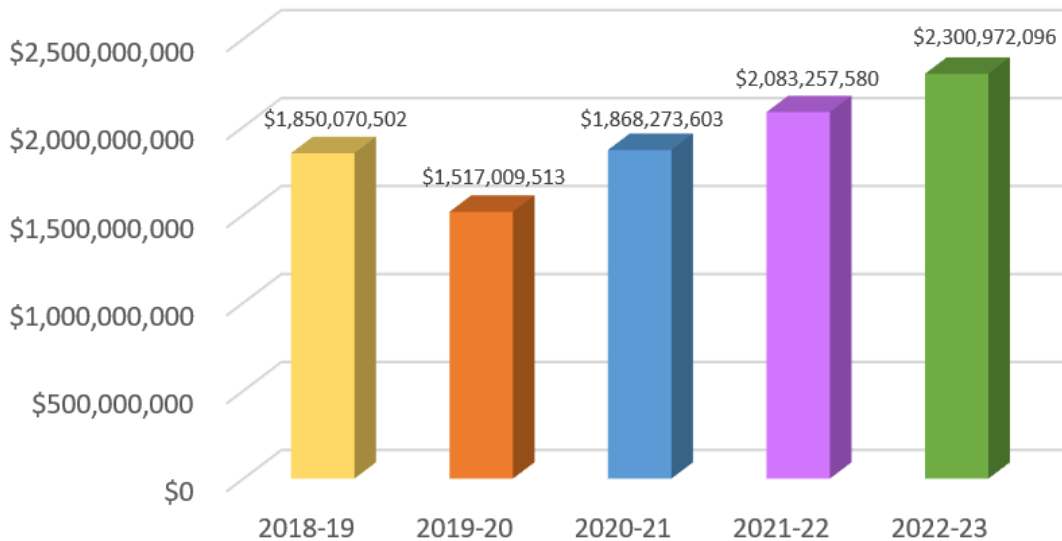
<sup>1</sup> Does not include unclaimed prizes, interest income, and other income.

**California State Lottery Education Allocations  
For the Fiscal Year Ended June 30, 2023**

Recipient	Average Daily Attendance	Year to Date Total <sup>1</sup>	Percentage of YTD Funding	Cumulative Total (1985-Present)
K-12	5,579,871	\$1,763,794,114	76.65%	\$34,915,429,556
Community Colleges	1,134,639	385,540,236	16.76%	6,202,641,464
California State University System	394,930	85,805,962	3.73%	1,622,370,613
University of California	289,839	65,347,493	2.84%	1,032,067,234
Other Educational Entities	2,333	484,291	0.02%	50,809,309
<b>GRAND TOTAL</b>	<b>7,401,612</b>	<b>\$2,300,972,096</b>	<b>100.00%</b>	<b>\$43,823,318,176</b>

For the second consecutive year, the Lottery transferred more than \$2 billion in supplemental funding to California’s public schools. Local education administrators and elected school boards decide how the Lottery funds will be distributed and spent within their school districts. Some schools have used Lottery funds to retain more quality teachers, buy state-of-the art equipment, enhance learning environments, and keep critical programs running. And each year, schools are free to use the funds for entirely different purposes. A little goes a long way for supporting education and helping students.

**Education Allocations - Last 5 Fiscal Years**



<sup>1</sup> The Year-to-Date Total is the amount allocated to education by the State Controller’s Office for fiscal year ended June 30, 2023, and does not reflect the total earned for the fiscal year primarily due to timing differences.



**Lottery Retail Partners** throughout the state enjoyed another record year, receiving more than \$633.2 million in commissions and bonuses. During fiscal year 2022-23, the Lottery’s network of retail partners consists of more than 23,000 stores throughout the state. The Lottery supports its retail partners by making its product more appealing, fun, and exciting for Lottery players.

Every Lottery retailer plays an important part in raising supplemental funding for public education. Their dedicated hard work and commitment are major reasons the Lottery continues to set records in sales and funds transferred to its beneficiary.

Lottery retailers earn sales commissions of up to 6 percent on every ticket sold. In addition, retailers earn a cashing bonus when they “cash” winning tickets with prizes of under \$600 to pay lucky winners. Additionally, retailers who sell a ticket that wins a jackpot prize or a prize over \$1 million earn an additional bonus of one half of one percent of the prize amount up to a maximum bonus of \$1 million. For many retailers, they use this additional income to support their families, invest in their stores or their employees, and give back to their communities.

	FY 2022-23	FY 2021-22	FY 2020-21
Retailer Sales Commissions	\$581,026,445	\$561,032,558	\$538,190,567
Retailer Cashing Bonus	46,594,911	48,350,766	44,350,586
Retailer Sales Incentive Bonus	5,578,870	5,327,426	3,320,753
<b>TOTAL</b>	<b>\$633,200,226</b>	<b>\$614,710,750</b>	<b>\$585,861,906</b>



# SCRATCHERS<sup>®</sup>

**A LITTLE PLAY CAN MAKE YOUR DAY**

Scratchers games continue to be the biggest driver of Lottery sales, accounting for 71.2 percent of total Lottery sales during fiscal year 2022-23. The Lottery introduced more than 50 new Scratchers games during the fiscal year and continues to offer a variety of price points and experiences designed to maximize contributions to its beneficiary. Scratchers are played by removing a special coating to reveal symbols and “instantly” learn whether the ticket is a winner. The Lottery currently offers Scratchers ticket ranging from \$1 to \$30 and games may feature prizes up to \$20 million. Additionally, some Scratchers offer an extra play experience with additional game play - and more chances to win - on the back of the ticket.



Crossword-themed games continued to be the Lottery’s best-selling Scratchers games. During the fiscal year, the Lottery launched its first ever \$1 and \$30 price points for the Crossword games. The \$1 California-inspired crossword game is a new fan favorite and the \$30 Crossword Xtreme game was a hit with both casual and core players.



Players can take a trip on a virtual adventure across our scenic state by following the path in the \$1,000,000 *California Road Trip Riches* Scratchers game. You will get a chuckle by reading the stops along the way, which include “Take a Selfie” and “Buy Lottery Tickets”, while enjoying many chances to win the top prize.

Players can also enter non-winning tickets for another chance to win in the Lottery’s 2nd Chance Program. During fiscal year 2022-23, the Lottery featured an exciting 2nd Chance promotion, *The Addams Family* 2nd Chance Bonus Draw, which offered multiple winners four different cash prize tiers and a prize that included a Nintendo Switch with *The Addams Family* game. This fun and entertaining promotion sustained player interest over many weeks and encouraged purchase and play of *The Addams Family* Scratchers games.



# DRAW GAMES










**Draw Games** refers to the category of games for which numbers are drawn at random to determine the winning tickets. Draws are securely conducted either mechanically or electronically, depending on the game. The Lottery currently offers eight draw games, including the multi-state jackpot games Mega Millions® and Powerball®. Powerball draws three times per week, while Mega Millions and California's own jackpot game, SuperLotto Plus®, draw twice a week.

During fiscal year 2022-23, both Powerball and Mega Millions sales increased due, in large part, to the advertised jackpots being \$1 billion or more in seven different draws combined between these two games. The combined total sales were more than \$1.54 billion, up \$600 million or 63.7 percent from the prior fiscal year.

Sales of California's own lotto-style game, SuperLotto Plus, are also largely driven by jackpot levels. Sales of SuperLotto Plus were \$276.1 million, an increase of 13.7 percent in comparison to the prior fiscal year.

The Lottery's four daily games - Daily 3, Daily 4, Fantasy 5 and Daily Derby® - draw every day and totaled approximately \$435 million in combined sales, which is nearly unchanged from the prior fiscal year. Hot Spot® sales increased \$9.1 million or 2.3 percent from the prior year.

## Total Games Sales for the Fiscal Year Ended June 30, 2023

	Games	Total Sales	Percentage of Sales
	Scratchers	\$6,574,494,639	71.16%
	Mega Millions	792,696,879	8.58%
	Powerball	750,490,114	8.12%
	SuperLotto Plus	276,117,491	2.99%
	Hot Spot	410,942,023	4.45%
	Daily 3	180,095,152	1.95%
	Fantasy 5	178,156,606	1.93%
	Daily Derby	40,886,300	0.44%
	Daily 4	35,474,107	0.38%
	<b>Total</b>	<b>\$9,239,353,311</b>	<b>100.00%</b>

## LOTTERY FINANCIAL SUMMARY

REVENUES	FY 2022-23	FY 2021-22	FY 2020-21
Operating Revenues:			
Scratchers	\$6,574,494,639	\$6,830,109,188	\$6,409,463,025
Lotto Games <sup>1</sup>	1,819,304,484	1,185,499,008	1,198,771,157
Hot Spot	410,942,023	401,837,336	373,301,793
Daily Games <sup>2</sup>	434,612,165	435,804,636	436,407,842
Total Operating Revenues:	\$9,239,353,311	\$8,853,250,168	\$8,417,943,817
Non-Operating Revenues: <sup>3</sup>			
Unrealized Gains (Losses) on Investments	\$(39,929,206)	\$(98,716,480)	\$(55,646,618)
Interest Earned/Accreted on Investments	25,319,457	26,390,107	28,054,375
Interest on Funds held by State Treasurer	25,776,709	4,021,399	3,592,599
Other Income	6,897	611,692	1,823,112
Total Non-Operating Revenues	\$11,173,857	\$(67,693,282)	\$(22,176,532)
<b>TOTAL REVENUES</b>	<b>\$9,250,527,168</b>	<b>\$8,785,556,886</b>	<b>\$8,395,767,285</b>

<sup>1</sup> Lotto Games are *SuperLotto Plus*, *Powerball*, and *Mega Millions*.

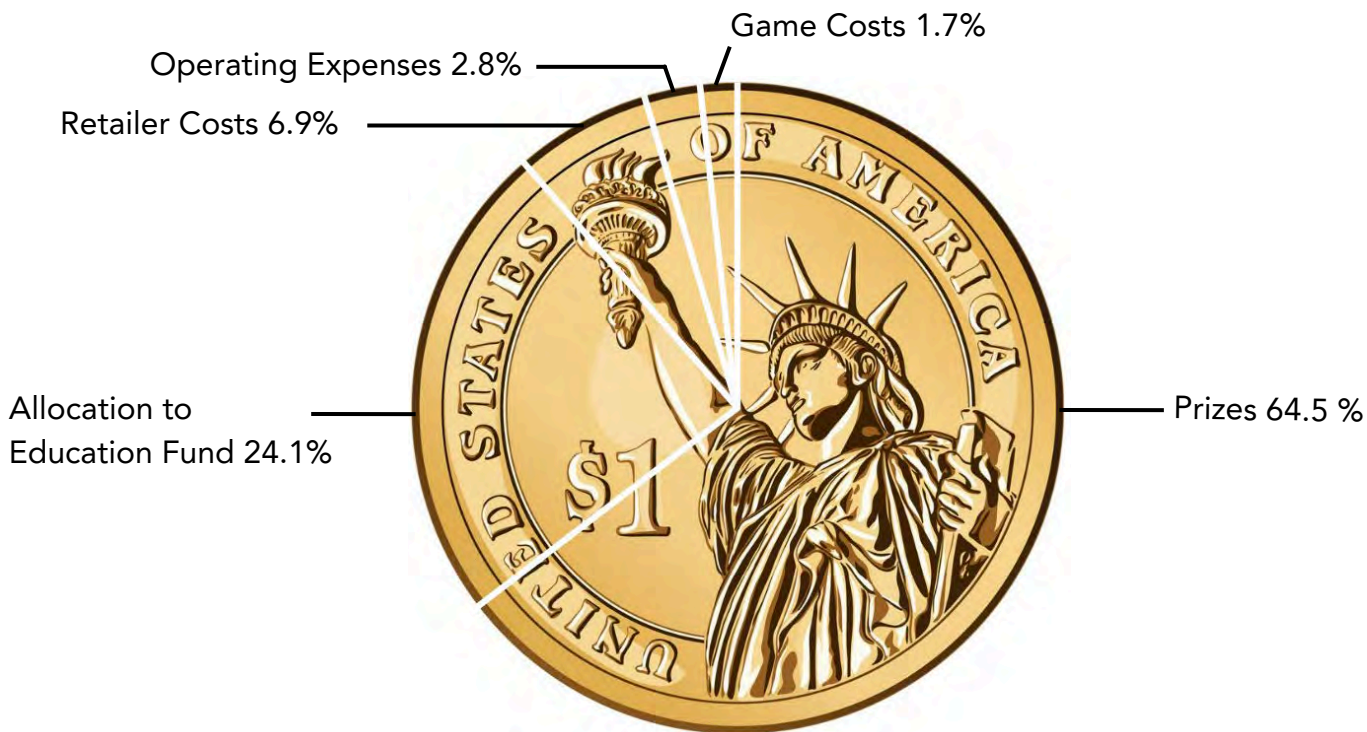
<sup>2</sup> Daily Games are *Daily 3*, *Daily 4*, *Daily Derby*, and *Fantasy 5*.

<sup>3</sup> The Lottery purchases high quality government bonds to fund annuitized grand prize winners. Interest earned on investments, unrealized gains/losses on investments, and other income are considered non-operating revenues - activities that are not directly associated with the sale of lottery tickets. Investment earnings come from interest payments and capital gains collected upon a sale or maturity of a security. All Lottery investments are held to maturity to meet the required prize payouts. An unrealized gain is a profit that exists on paper, resulting from an investment. It is an increase in a security that has yet to be sold or matured. An unrealized loss is the opposite. All Lottery cash is held on deposit with the California State Treasurer and is invested by that office in the Surplus Money Investment Fund. Interest earned on these funds are distributed quarterly by the State Treasurer and transferred to Education. Other income consists of gains or losses on sale of Lottery assets.

Revenues to Education for the Fiscal Year 2022-23	Amount
Allocation of Sales to Education	\$2,231,053,935
Unclaimed Prizes directly to the Education Fund	51,827,506
Interest Income	25,776,709
Other Income	6,897
<b>Total Funds Transferred to the Education Community</b>	<b>\$2,308,665,047</b>

EXPENSES	FY 2022-23	FY 2021-22	FY 2020-21
<b>Prizes:</b>			
Scratchers Game Prizes	\$4,615,620,978	\$4,771,553,752	\$4,548,367,391
Draw Game Prizes	1,344,680,746	1,054,119,266	1,062,238,150
Total Prizes	\$5,960,301,724	\$5,825,673,018	\$5,610,605,541
<b>Game Costs:</b>			
Retailer Costs	\$633,200,226	\$614,710,750	\$585,861,906
Draw/Scratchers Game Costs	160,149,145	144,157,214	142,564,672
Total Game Costs	\$793,349,371	\$758,867,964	\$728,426,578
Operating Expenses	\$254,648,281	\$253,659,869	\$221,180,820
Non-Operating Expenses <sup>1</sup>	\$26,216,067	\$27,486,748	\$29,383,248
Allocation to Education Fund <sup>2</sup>	\$2,256,837,541	\$2,019,682,408	\$1,863,146,589
<b>TOTAL EXPENSES</b>	<b>\$9,291,352,984</b>	<b>\$8,885,370,007</b>	<b>\$8,452,742,776</b>

**Distribution of Revenues for FY 2022-23**



<sup>1</sup> Includes interest imputed on the liability for grand prizes won and not yet paid. Imputed interest is interest assumed to have been collected even if the interest was not paid to the Lottery from the purchases of zero-coupon Treasury bonds.

<sup>2</sup> Includes interest income and other income; does not include unclaimed prizes, which are transferred to the Education Fund directly.

## STATEMENT OF NET POSITION

**Statement of Net Position** represents the Lottery's financial position. It reports the Lottery's assets and liabilities at the close of the fiscal year. The Lottery is structured as a single enterprise fund and its financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Accrual basis means that revenues and expenses are recognized when incurred, not when received or paid. The Lottery's fiscal year runs from July 1 through June 30. The Lottery's net position for fiscal years ending June 30, 2021-2023 is shown below.

	FY 2022-23	FY 2021-22	FY 2020-21
<b>Assets:</b>			
Current and Other Assets	\$2,129,719,594	\$2,147,099,622	\$2,194,497,289
Capital Assets	179,671,839	191,966,405	204,847,726
<b>Total Assets</b>	<b>\$2,309,391,433</b>	<b>\$2,339,066,027</b>	<b>\$2,399,345,015</b>
Deferred Outflows of Resources	108,493,934	72,378,689	71,040,365
<b>Total Assets and Deferred Outflows</b>	<b>\$2,417,885,367</b>	<b>\$2,411,444,716</b>	<b>\$2,470,385,380</b>
<b>Liabilities:</b>			
Current Liabilities	\$1,619,285,652	\$1,559,391,219	\$1,489,331,035
Non-Current Liabilities	975,230,633	1,002,042,212	1,077,447,896
<b>Total Liabilities</b>	<b>\$2,594,516,285</b>	<b>\$2,561,433,431</b>	<b>\$2,566,778,931</b>
Deferred Inflows of Resources	102,440,862	88,257,250	42,039,293
<b>Total Liabilities and Deferred Inflows</b>	<b>\$2,696,957,147</b>	<b>\$2,649,690,681</b>	<b>\$2,608,818,224</b>
Net Investment in Capital Assets	\$179,671,839	\$191,966,405	\$204,847,726
Restricted by Legislation	\$(33,709,368)	\$7,116,447	\$106,929,568
Unrestricted Deficit	\$(425,034,251)	\$(437,328,817)	\$(450,210,138)
<b>TOTAL NET POSITION</b>	<b>\$(279,071,780)</b>	<b>\$(238,245,965)</b>	<b>\$(138,432,844)</b>

The Lottery's negative net position is due to changes in accounting for pensions and retiree health benefits. The State of California's pension and retiree healthcare benefit plans are not fully funded, meaning that the plans have more liabilities than they do assets to cover them. Previously, the liabilities for these plans appeared on the State of California's financial statements, but accounting changes require state agencies and funds to show the liabilities on their own financial statements. Through employer and employee contributions and returns on investments, the plans are working to reduce the liabilities and fully fund the plans in future years. During fiscal year 2022-23, the Lottery's net position decreased nearly \$41 million due primarily to a decrease in the fair value of investments held to pay annuitized prizes. Readers wanting more detailed financial information should refer to the Lottery's 2023 Annual Comprehensive Financial Report available on the Lottery's website at [www.calottery.com/about-us](http://www.calottery.com/about-us).

**Statement of Activities** reports information on the Lottery's revenues and expenses during the fiscal year and changes in net position. The Lottery's fiscal year runs from July 1 through June 30.

<b>CHANGES IN NET POSITION</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
Operating Revenues:	\$9,239,353,311	\$8,853,250,168	\$8,417,943,817
Less Prizes	5,960,301,724	5,825,673,018	5,610,605,541
<i>Sales After Prizes</i>	\$3,279,051,587	\$3,027,577,150	\$2,807,338,276
Less Game Costs:			
Retailer Costs	\$633,200,226	\$614,710,750	\$585,861,906
Gaming System Costs	109,720,587	102,320,421	97,963,148
Scratchers Game Costs	50,428,558	41,836,793	44,601,524
Total Game Costs	\$793,349,371	\$758,867,964	\$728,426,578
<i>Income Before Operating Expenses</i>	\$2,485,702,216	\$2,268,709,186	\$2,078,911,698
Operating Expenses:			
Salaries, Wages, and Benefits	\$100,871,997	\$101,243,980	\$104,757,919
Advertising	89,181,811	92,849,859	59,135,920
Promotions, Public Relations, and Point of Sale	11,095,793	8,529,662	7,490,496
Other Professional Services	18,072,617	18,129,419	17,728,391
Depreciation and Amortization	14,961,644	15,982,732	16,765,127
Other General/Administrative Expenses	20,464,419	16,924,217	15,302,967
Total Operating Expenses	\$254,648,281	\$253,659,869	\$221,180,820
<i>Operating Income</i>	\$2,231,053,935	\$2,015,049,317	\$1,857,730,878
Non-Operating Revenues (Expenses):			
Investment Earnings	\$11,166,960	\$(68,304,974)	\$(23,999,644)
Interest Expense Imputed on Annuitized Prize Liability	(26,216,066)	(27,486,748)	(29,383,248)
Other Income	6,897	611,692	1,823,112
Allocation to Education Fund	(2,256,837,541)	(2,019,682,408)	(1,863,146,589)
Total Non-Operating Revenue (Expense)	\$(2,271,879,750)	\$(2,114,862,438)	\$(1,914,706,369)
<i>Change in Net Position (Deficit)</i>	\$(40,825,815)	\$(99,813,121)	\$(56,975,491)
<i>Total Net Position - Beginning Balance</i>	\$(238,245,965)	\$(138,432,844)	\$(81,457,353)
<i>Total Net Position - Ending Balance</i>	\$(279,071,780)	\$(238,245,965)	\$(138,432,844)



## Accounting Terminology

**Accumulated Depreciation** is the total amount of depreciation that has been allocated to an asset since it was first put into use and reduces the value of the asset over time.

**Capital Assets** are assets that the Lottery uses to run its day-to-day operation, such as land, buildings, vehicles, and various gaming equipment.

**Change in Net Position** is the difference between the Lottery's Net Position at the beginning of the period and the end of the period.

**Current and Other Assets** are resources the Lottery owns, which includes cash and investments, receivables, ticket inventory, and amounts due from other agencies.

**Deferred Inflows of Resources** are an acquisition of net position that is applicable to a future reporting period.

**Deferred Outflows of Resources** are a consumption of net position that is applicable to a future reporting period.

**Game Costs** consist of Lottery retailer sales commissions and bonuses, ticket production and delivery expenses, and gaming vendor charges. Total game costs increased as overall sales increased.

**Liabilities** are obligations the Lottery owes, which includes payables, prize and pension liability, unearned revenue, and amounts due to other agencies.

**Net Investment in Capital Assets** is the difference between the Lottery's value of capital assets and the accumulated depreciation of the assets.

**Net Position** is the difference between the Lottery's assets and liabilities, plus deferred outflows of resources and deferred inflows of resources.

**Non-Operating Expenses** mostly consist of transfers of net revenues and unclaimed prizes to the State Controller's Office to be allocated to California public education.

**Non-Operating Revenues** mainly consist of investment earnings from the Surplus Money Investment Fund held at the State Treasurer's Office and interest earned on the Lottery's bond investments purchased to fund annuitized prizes.

**Operating Expenses** are expenses the Lottery incurs as a result of its normal business operations. These expenses are required to run the Lottery while maximizing the generation of supplemental funding for education. Promotions, public relations, and point of sale increased because the Lottery continues to focus on direct-to-consumer promotions by placing additional monitors and signage at retail locations. Other general and administrative expenses increased due to in-state travel and vehicle maintenance as the Lottery continued its effort on working with our retail partners to promote Lottery games. The Lottery's operating income increased primarily due to increased sales.

**Operating Revenue** is income derived from the Lottery's everyday activities consisting of ticket sales. Lottery operating revenue increased more than \$386 million in fiscal year 2022-23 or 4.4 percent from the previous fiscal year. Lotto game sales increased \$633.8 million or 53.5 percent primarily due to the advertised jackpots being \$1 billion or more for seven different draws throughout the year in the two multi-state lotto games. Hot Spot sales increased \$9.1 million or 2.3 percent from the prior year, as the social trade-style game continued to grow.

**Restricted by Legislation** is the amount of assets limited for a specific purposes, such as paying Lottery's annuitized prizes.

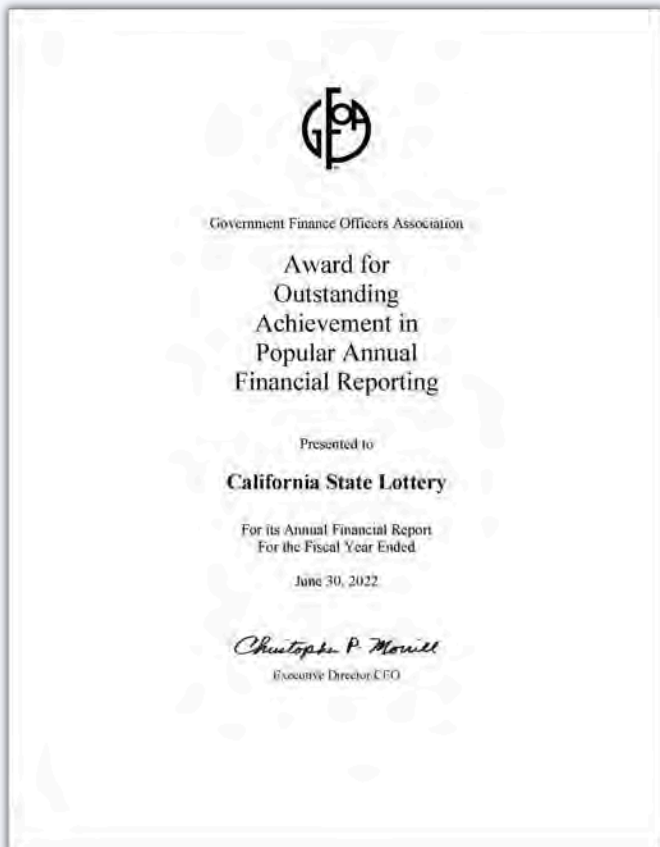
**Unrestricted Deficit** is the difference between Lottery's assets and liabilities not already included in the net investment in capital assets and restricted by legislation.

For more detailed financial information, readers should refer to the Lottery's 2023 Annual Comprehensive Financial Report available at [www.calottery.com/about-us](http://www.calottery.com/about-us).



## AWARDS & ACKNOWLEDGEMENTS

The Lottery owns its headquarters building in Sacramento, nine district offices throughout the state, and a distribution center in both Northern California and Southern California. The Lottery continues its commitment to environmental sustainability. During fiscal year 2022-23, eight Lottery properties, including the Lottery headquarters building, received the distinguished ENERGY STAR certification from the United States Environmental Protection Agency (EPA) in recognition of meeting stringent performance standards. In fact, a majority of Lottery properties are also classified as Zero Net Energy (ZNE) facilities. ZNE means the building is designed to produce as much or more on-site energy in a year as it consumes. The EPA refers to buildings like ours as “America’s Energy All-Stars!” The energy-efficient buildings allow the Lottery to lower operating costs, which in turn helps provide additional dollars to California public education.



The Lottery was awarded the Outstanding Achievement in Popular Annual Financial Reporting by the Government Finance Officers Association (GFOA) for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2022.

This award for outstanding achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive the award, the contents of the PAFR must conform to GFOA program standards of creativity, presentation, understandability, distribution, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and are submitting to the GFOA for consideration for this award.



The Lottery recognizes it has responsibilities beyond selling entertaining products. In February 2015, the California State Lottery became the first Lottery in the nation to receive a World Lottery Association (WLA) Responsible Gaming Level Four Certification. This is the highest level of internationally recognized certification for responsible gaming. In 2021, we were honored to receive a level four recertification.

WLA, the global authority on the lottery business, consists of state-authorized lotteries and gaming organizations from more than 80 countries on six continents. Its Responsible Gaming Principles and Framework Certification Program outlines lotteries' level of commitment to corporate social responsibility and responsible gaming. Its aim is to protect lottery players and assure that revenues are used for public good.

The Lottery offers its retail partners and their employees free training on responsible gaming through its online Retailer Portal. The training video is tailored for retailers so that staff can navigate through sensitive situations involving responsible gaming.

The training provides strategies on how to respond to common workplace situations involving responsible play, increasing awareness on gambling disorders, and helping prevent underage gaming. The video also equips retailers with information about no-cost problem gambling treatment services provided by the California Office of Problem Gambling. Becoming knowledgeable about responsible gaming is aligned with the Lottery's strategic goals, is good for business, and provides positive customer service.

The new retailer training is part of the Lottery's continued commitment to minimize problem gambling disorders in California and enhance its responsible gaming program that holds the highest global certification from the WLA. The Lottery's responsible gaming program is comprehensive - it impacts our games, employees, business partners, and players.

The Lottery wants players to enjoy lottery games, and that means playing them responsibly. Borrowing money to play, spending above one's budget, or using money allocated for other purposes can lead to significant problems for players and their families. If you or someone you know has a gambling problem, the first step toward recovery is getting help by contacting the California Problem Gambling Helpline at 1-800-GAMBLER (1-800-426-2537).



The California Lottery's mission is to generate supplemental funding for public education from elementary schools to universities. With honesty and integrity, the Lottery builds a better tomorrow for students and our communities through the responsible sale of entertaining lottery products.

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