

Welcome to the California Lottery!

On behalf of all the dedicated California Lottery staff, I am pleased to present you with the 2006/2007 Report to the Public. This report will offer you insights into our day-to-day operations. From financial information to product information, this document will serve to tell the story of what every Lottery employee works so diligently on throughout the year.

In 1984, the voters in California created the California Lottery based on the fundamentals of community; business, education, employment and enthusiasm. Through our network of over 19,000 retail business partners in the state we contribute at least 34 percent of sales to our beneficiary—public education. While suffering from sluggish sales during this fiscal year, the California Lottery still returned over 95 cents of every dollar to the community in the form of contributions to education, prizes and retail commissions. We proudly distributed over \$1 billion to our friends in the education community amounting to over 1% of the education budget in the state. We are honored to be a small part of every student's life and look forward to the opportunity to create new revenues in the coming fiscal year.

Lottery sales would not be possible without a network of lottery staff, retail partners and players. Our retail partners earn commissions on the sale of California Lottery products, fostering stronger businesses in every community in the state. This retail network interacts with lottery staff throughout the state in one form or another. In the past fiscal year, the California Lottery was home to over 600 employees, all California residents, neighbors and friends. These staff work daily to bring a sense of excitement to the state; whether the jackpot is large or small, the California Lottery has a game for every one of our players. We are pleased that California Lottery players won \$1,765,643,368 in prizes this fiscal year, creating opportunities to buy a car, remodel a house, take a vacation, take a permanent vacation or simply enjoy the future with a little more money in their pockets.

Thank you for taking the time to read our annual report. We hope you like what you see and we also hope you visit your local retailer to try one of our exciting products.

Sincerely,

Joan M. Borucki

Director, California Lottery

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