



RALPH S. NORTHAM, GOVERNOR | KEVIN HALL, EXECUTIVE DIRECTOR

Virginia Lottery | 600 E. Main St. | Richmond, VA 23219 | ph: 804.692.7100 | fax: 804.692.7102 | valottery.com

September 29, 2021

The Honorable Ralph S. Northam  
Governor  
Commonwealth of Virginia  
Patrick Henry Building, 3<sup>rd</sup> floor  
Richmond, VA 23219

**Re: August 2021 Lottery Results**

Dear Governor Northam:

I am very pleased to provide our report of monthly activities and financial update for the month of August 2021, as required in §58.1-4006 of the *Code of Virginia*.

August sales totaled \$320.6 million, up \$88.6 million (38.2%) compared to the same month last year. August profits of \$68.3 million were \$15.2 million (28.7%) higher than August 2020. Higher profits are the direct result of significant sales increases in our scratch, daily draw and jackpot games sold at 5,200 retail locations as well as the continued popularity of our online iLottery platform, which launched 14 months ago.

Through the end of August, the Lottery made debt setoff collection payments to the Department of Taxation totaling almost \$900,000, and unclaimed prizes totaling almost \$1.9 million were transferred to the Literary Fund.

Currently, we are actively participating in the Administration's budget development and revenue forecast process. Agency staff will present an updated sales and profit forecast to the Virginia Lottery Board for approval at its scheduled Oct. 27 meeting.

Additionally, on September 20, 2021, the Lottery marked the 33<sup>rd</sup> anniversary of the sale of the first lottery ticket in Virginia. Since 1989, the Virginia Lottery has sold almost \$45 billion in tickets, awarded more than \$26 billion in prizes to players, and paid nearly \$2.5 billion in commissions and incentives to thousands of retailer partners. More importantly, since the establishment of the Virginia Lottery Proceeds Fund in 1999, our players have helped generate a combined \$11 billion in profits for the Legislature to appropriate in direct support of Virginia's K-12 public school programs. Our agency employees are proud of this 33 year record of responsibly delivering millions of winning experiences to our players and delivering billions of dollars in support of Virginia's teachers and students.

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Please let me know if you have any questions, or if you would like more information.

Sincerely yours,



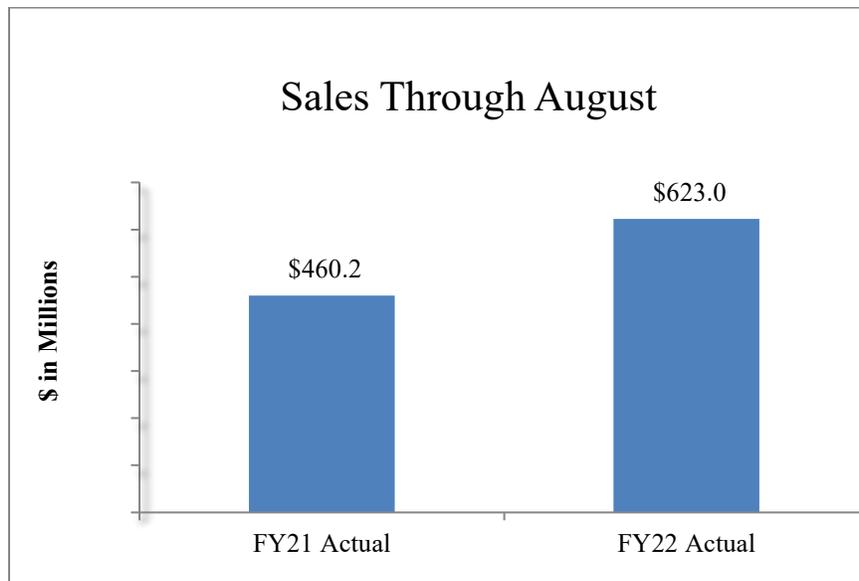
Kevin Hall

- c:      The Honorable Janet D. Howell, Chairwoman, Senate Finance & Appropriations  
            Committee  
            The Honorable Luke E. Torian, Chairman, House Appropriations Committee  
            The Honorable Vivian E. Watts, Chairwoman, House Finance Committee  
            The Honorable Clark Mercer, Chief of Staff, Office of the Governor  
            The Honorable F. Joseph Flores, Secretary of Finance  
            Daniel S. Timberlake, Director, Department of Planning & Budget  
            David A. Von Moll, State Comptroller  
            April Kees, Director, Senate Finance & Appropriations Committee  
            Anne E. Oman, Staff Director, House Appropriations Committee  
            Ferhan Hamid, Chairman, Virginia Lottery Board

**VIRGINIA LOTTERY**  
**Report to the Governor and**  
**Selected Members of**  
**the General Assembly**  
**As of August 31, 2021**

Sales

Lottery sales for the fiscal year totaled \$623.0 million through August. This represents an increase of \$162.8 million (35.7%) compared to the prior year. Scratcher sales of \$239.7 million were \$35.9 million (17.6%) higher than last year. Sales of daily games (Pick 3, Pick 4, and Cash 5) totaled \$133.2 million, a decrease of \$2.8 million (-2.0%) from last year. Sales in the jackpot games category (Mega Millions, Powerball, Cash for Life and Bank a Million) totaled \$41.1 million, an increase of \$8.9 million (27.6%) compared to last year. Sales of Print n' Play, KENO and iLottery Instants games totaled \$383.3 million.



Expenses

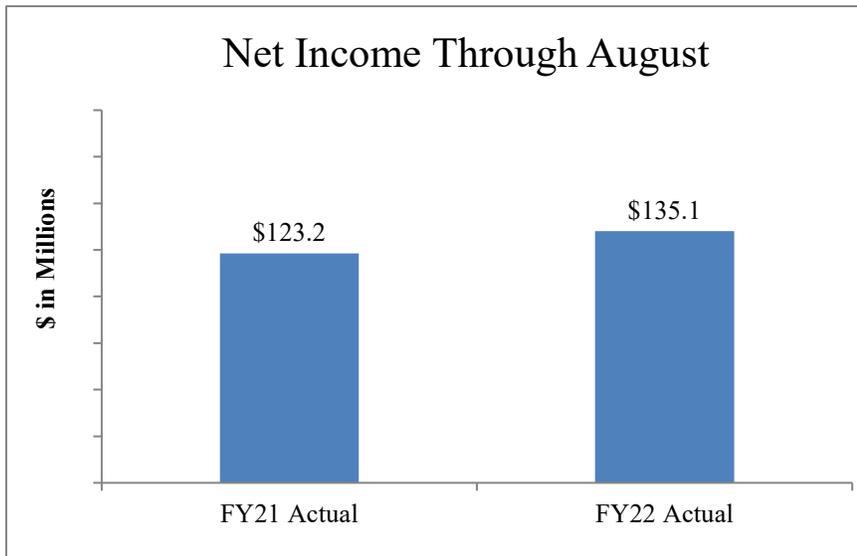
The overall prize expense rate (prizes as a percent of sales) for the year to date was 70.3%, higher than last year's rate of 64.6%. The increase in the rate is attributable to the higher percentage of total sales from iLottery games with higher payout rates, and because of higher daily games prize payouts compared to last year. The scratcher prize rate of 71.5% also was higher than last year's rate of 69.5%, as players continue to choose higher price tickets with higher payout rates. The daily games prize rate of 51.3% was higher than last year's rate of 45.8%. It is important to note that significant fluctuations in prize expense rates occur during the short term, especially for games that have fixed prizes; however, overall long-term prize rates reflect outcomes more in line with statistical expectations.

With higher sales, and key incentive programs in place to support retailer sales and earnings, retailers earned \$3.4 million more in commissions and incentives than last year, for a total \$24.7 million in earnings. Overall, retailers earned 5.7% of Lottery retail sales in commissions and incentives through August.

Administrative operating costs, including gaming, ticket printing and distribution expenses, were 4.0% of sales, consistent with last year.

Net Income

Strong sales in both retail products and iLottery Instants led to profits of \$135.1 million, an increase of \$11.8 million (9.6%) compared to last year.



CONTRIBUTIONS TO DEBT SETOFF & LITERARY FUND

Through the end of August, the Lottery made debt setoff collection payments to the Department of Taxation totaling \$893,989. Also, unclaimed prizes totaling \$1,885,410 were transferred to the Literary Fund through August this year.

MEETINGS

The Lottery Board will hold its next regular business meeting on October 27, 2021.