



November 30, 2021

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

**Re: October 2021 Lottery Results**

Dear Governor Northam:

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

October sales totaled \$323.3 million, up \$85.4 million (35.9%) compared to the same month last year. October profits of \$73.9 million were \$17.6 million (31.4%) higher than October 2020. Higher profits are the result of significant sales increases in our retail sales program at more than 5,200 licensed retailer locations across Virginia, as well as the continued success of our online iLottery platform, which launched last year.

Through the end of October, the Lottery made debt setoff collection payments to the Department of Taxation totaling almost \$1.8 million, and unclaimed prizes totaling more than \$3.9 million were transferred to the Literary Fund for the current fiscal year.

In October and November, we celebrated the return to in-person learning in Virginia's K-12 public schools by partnering with media personalities and influencers in Northern Virginia, Hampton Roads and Roanoke for the annual Virginia Lottery Fall Teacher Tour. We solicited nominations from parents and students and surprised educators at more than a dozen events across the state with gifts of free Lottery gear, gift cards from local merchants and other prizes.

One notable recipient was Aimee Payne, who teaches fourth grade at York County's Waller Mill Elementary School and who "brings joy and dedication to school every day," according to her principal. Miss Payne told us the return to in-person learning this fall has been "beautiful, amazing and stressful -- but mostly beautiful." When asked to describe her passion for teaching, Payne shared this remarkable statement about her teaching colleagues and their students: "We love them like our own... We do everything we possibly can to make sure they have a great learning environment and to let them know there are people here who truly care about them and want them to be successful."

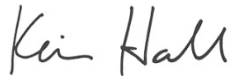
November 30, 2021

Page Two

The Virginia Lottery is proud to support dedicated teachers like Aimee Payne while celebrating the agency's key role in generating significant annual resources for the Commonwealth's K-12 public schools. We will continue to look forward to additional opportunities like our Fall Teacher Tour to highlight the accomplishments of Virginia's amazing students and teachers.

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

Sincerely yours,



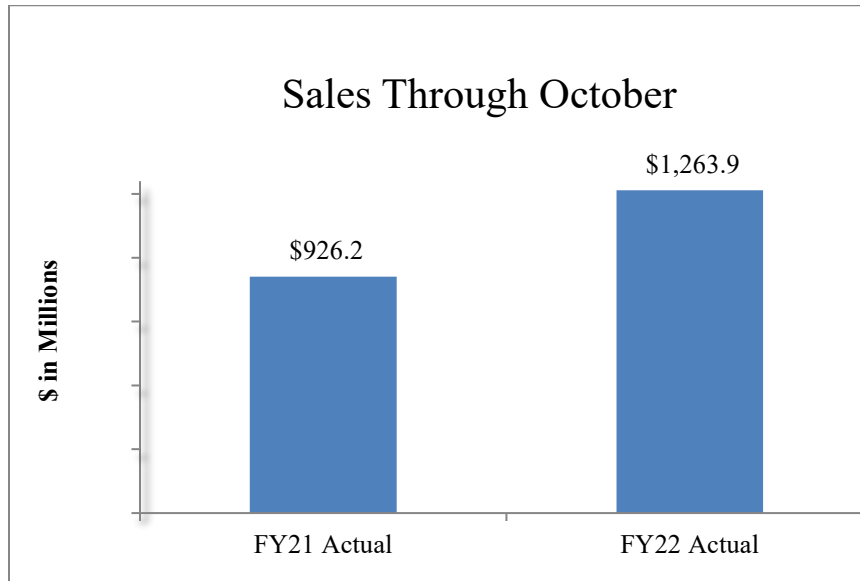
Kevin Hall

- 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 October 31, 2021**

Sales

Lottery sales for the fiscal year totaled \$1,263.9 million through October. This represents an increase of \$337.7 million (36.5%) compared to the prior year. Scratcher sales of \$481.8 million were \$81.1 million (20.2%) higher than last year. Sales of daily games (Pick 3, Pick 4, and Cash 5) totaled \$265.4 million, a decrease of \$0.3 million (-0.1%) from last year. Sales in the jackpot games category (Mega Millions, Powerball, Cash for Life and Bank a Million) totaled \$95.2 million, an increase of \$31.4 million (49.3%) compared to last year. Sales of Print n' Play, KENO and iLottery Instants games totaled \$782.1 million.



Expenses

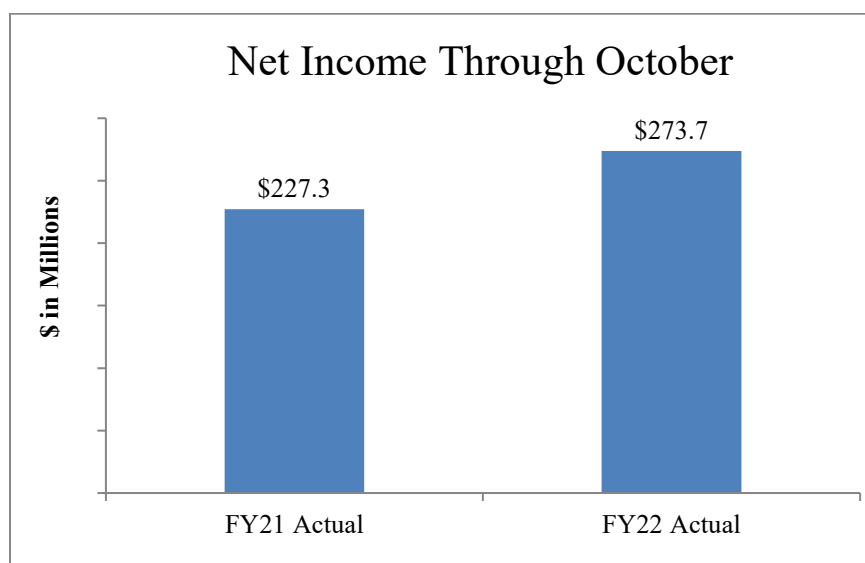
The overall prize expense rate (prizes as a percent of sales) for the year to date was 70.3%, higher than last year's rate of 66.6%. The increase in the rate is attributable to the higher percentage of total sales from iLottery games with higher payout rates, and because of higher daily games prize payouts compared to last year. The scratcher prize rate of 71.2% also was higher than last year's rate of 70.6%, as players continue to choose higher price tickets with higher payout rates. The daily games prize rate of 50.2% was slightly lower than last year's rate of 50.3%. 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 \$7.5 million more in commissions and incentives than last year, for a total \$49.5 million in earnings. Overall, retailers earned 5.6% of Lottery retail sales in commissions and incentives through October.

Administrative operating costs, including gaming, ticket printing and distribution expenses, were 4.1% of sales, slightly lower than last year's 4.4% rate.

### Net Income

Strong sales in both retail products and iLottery Instantants led to profits of \$273.7 million, an increase of \$46.4 million (20.4%) compared to last year.



### CONTRIBUTIONS TO DEBT SETOFF & LITERARY FUND

Through the end of October, the Lottery made debt setoff collection payments to the Department of Taxation totaling \$1,394,127. Also, unclaimed prizes totaling \$2,755,137 were transferred to the Literary Fund through October this year.

### MEETINGS

The next meeting of the Board will be on January 12, 2022, in Richmond.