



May 31, 2022

The Honorable Glenn Youngkin  
Governor  
Commonwealth of Virginia  
Patrick Henry Building, 3<sup>rd</sup> floor  
1111 E. Broad Street  
Richmond, VA 23219

**Re: April 2022 Lottery Results**

Dear Governor Youngkin:

I am pleased to provide our report of monthly activities and financial update for the month of April 2022, as required in §58.1-4006 of the *Code of Virginia*.

April sales totaled \$322.6 million, down \$1.0 million (-0.3%) compared to the same month last year. April profits of \$63.2 million were \$5.9 million (-8.5%) lower than April 2021. In April 2021, the Lottery experienced strong retail sales ascribable to stimulus funds in the market and limited entertainment venues with restricted capacity and hours of operation due to the pandemic. Compared to the revised forecast included in the introduced budget, year-to-date sales are \$8.4 million (0.3%) higher than forecast and profits are \$19.2 million (3.0%) ahead of the forecast, due to lower than budgeted expenses. While profits are ahead of forecast at the end of April, May sales and resulting profits are below the monthly forecast, which will erode some of the surplus at the end of April.

Through the end of April, the Lottery has made debt setoff collection payments to the Department of Taxation totaling nearly \$5.1 million this fiscal year. Unclaimed prizes totaling over \$14.8 million have been transferred to the Literary Fund during the current fiscal year.

In keeping with the administration's goal of best-in-class government, I'm proud to report the latest lottery industry data shows that our online sales program is ranked second in the industry for per capita net gaming revenue after just 22 months of operations. Our upward trend in both sales and profits through iLottery continues, as sales are up 73% over last year. Personalized content, superior customer experience, and responsible player acquisition tools are the key drivers for our stellar performance.

May 31, 2022  
Page Two

We are proud to announce our participation in the Virginia Partnership for Gaming and Health, a consortium of stakeholders committed to strengthen treatment services for individuals who need support for problem gambling. Along with the Virginia Council on Problem Gambling, the Virginia Department of Behavioral Health and Developmental Services, and the VCU Department of Rehabilitation Counseling/College of Health Professionals, the Virginia Lottery supports the partnership through our continued efforts to raise awareness of resources available for those seeking help for gambling addiction.

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

Respectfully,



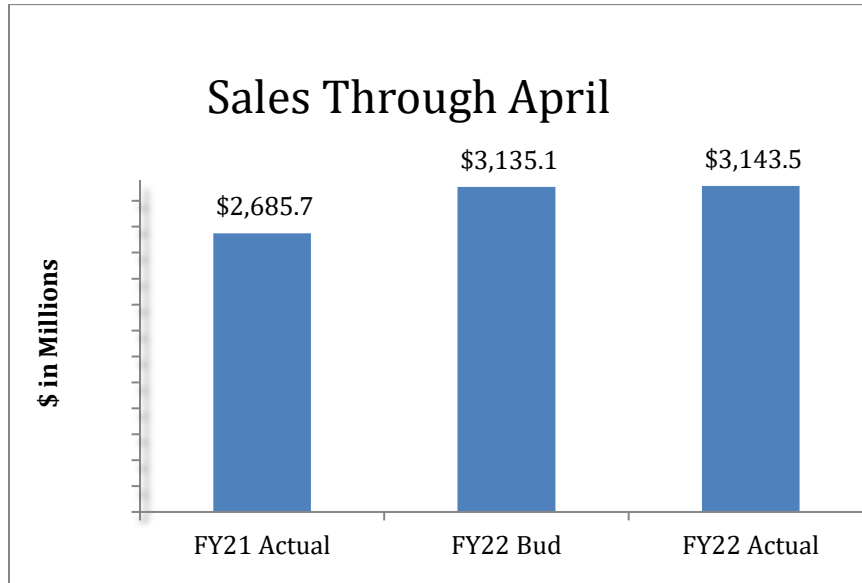
Kelly T. Gee

c: The Honorable Janet D. Howell, Chairwoman, Senate Finance & Appropriations Committee  
The Honorable Barry D. Knight, Chairman, House Appropriations Committee  
The Honorable Roxann L. Robinson, Chairwoman, House Finance Committee  
The Honorable Jeff Goettman, Chief of Staff, Office of the Governor  
The Honorable Stephen E. Cummings, Secretary of Finance  
Michael Maul, Director, Department of Planning & Budget  
Lewis R. McCabe, 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 April 30, 2022**

Sales

Lottery sales for the fiscal year totaled \$3,143.5 million through April. This represents an increase of \$457.8 million (17.0%) compared to the prior year and \$8.4 million (0.3%) higher than forecast. Scratcher sales of \$1,131.9 million were \$51.4 million (4.8%) higher than last year but \$59.9 million (-5.0%) lower than the forecast. Sales of daily games (Pick 3, Pick 4, and Cash 5) totaled \$627.9 million, a decrease of \$44.7 million (-6.7%) from last year and \$38.9 million (-5.8%) lower than forecast. Sales in the jackpot games category (Mega Millions, Powerball, Cash for Life and Bank a Million) totaled \$227.2 million, a decrease of \$6.7 million (-2.9%) compared to last year but \$7.5 million (3.4%) higher than forecast. Sales of Print n' Play, Keno, Raffle, iLottery Instants and Cash Pop totaled \$1,156.4 million, \$457.8 million (65.5%) higher than last year and \$96.6 million (9.4%) ahead of forecast.



Expenses

The overall prize expense rate (prizes as a percent of sales) for the year to date was 70.9%, higher than last year's rate of 67.5% and slightly higher than the forecast rate of 70.7%. The increase in the prize expense rate is attributable to the higher percentage of total sales from iLottery games, which are designed to have higher prize payout rates. The scratcher prize rate of 71.5% was higher than last year's rate of 71.0%, but the same as the forecast rate, as players continue to choose higher price tickets. The daily games prize rate of 48.5% was lower than last year's rate of 49.5% and lower than the forecast rate of 51.2%. It is important to note that significant fluctuations in prize expense rates occur during the short term, especially for games

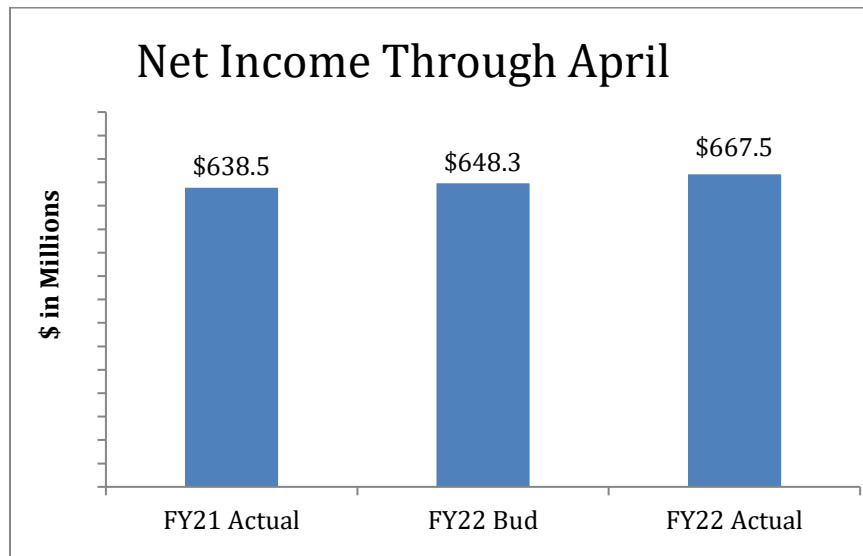
that have fixed prizes; however, overall long-term prize rates reflect outcomes more in line with statistical expectations.

With key incentive programs in place to support retailer sales and earnings, retailers earned \$1.4 million or 1.2% more in commissions and incentives than last year, for a total \$117.6 million in earnings.

Administrative operating costs, including gaming, ticket printing and distribution expenses, were 4.2% of sales, lower than last year's 4.5% rate and lower than the forecast rate of 4.6%.

### Net Income

While retail activity began softening in January, overall strong sales in both retail products and iLottery Instants during the fiscal year led to profits of \$667.5 million, an increase of \$29.0 million (4.6%) compared to last year and \$19.2 million (3.0%) ahead of our forecast year to date.



### CONTRIBUTIONS TO DEBT SETOFF & LITERARY FUND

Through the end of April, the Lottery made debt setoff collection payments to the Department of Taxation totaling \$5,135,115. Also, unclaimed prizes totaling \$14,818,691 were transferred to the Literary Fund through April this year.

### MEETINGS

The next scheduled meeting of the Board is July 20, 2022.