



July 29, 2022

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

Re: June 2022 Lottery Results

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of June 2022, and preview our preliminary FY22 results, as required in §58.1-4006 of the *Code of Virginia*.

June sales totaled \$299.8 million, up \$23.5 million (8.5%) compared to the same month last year. June profits of \$50.9 million were \$6.4 million (-11.2%) lower than June 2021. Lower profits in June were the result of good player luck and higher prize expenses.

For the fiscal year, Lottery sales totaled \$3.752 billion, an increase of \$493.4 million (15.1%) compared to last year. Our final profit transfer of the year was initiated June 17, to meet the budgeted FY22 total transfers of \$843.4 million to the Lottery Proceeds Fund, a record for funds available to support K-12 public education last year.

Profits for FY22 will exceed the estimate of \$776.1 included in the FY22 budget, and the actual residual profits will be certified by the Auditor of Public Accounts by August 15; however, I do not expect the residual transfer of profits to be significant. We will participate in the revenue forecasting process this fall, and the certified residual profit will be included in the revised estimate of available FY23 Lottery Proceeds Fund transfers. Chapter 2, the Budget approved on June 22, 2022, included a \$20 million increase to the Lottery Proceeds Fund transfers for FY23; the actual residual amount will be much less.

In addition to the Lottery Proceeds Fund, the Lottery made debt setoff collection payments to the Department of Taxation totaling \$6,038,306, and unclaimed prizes totaling \$17,166,541 were transferred to the Literary Fund in FY22.

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With the start of a new fiscal year, we continue to focus on strategies to generate profits responsibly from the sale of lottery products, improve the player experience, maintain our strong relationships with our key retail partners, and continually evaluate the effectiveness and efficiency of our operations. Our key performance metrics for FY23 are improving playership numbers to increase the number of people who report playing our games, adding new retailers with a specific focus on social establishments, and broadening awareness of our online offerings.

A centerpiece of our mission-focused messaging campaigns is our Thank a Teacher program. In the month of June, we recognized four teachers from Ashburn, Smithfield, Dinwiddie and Salem through our Thank a Teacher campaign, in which we encourage Virginians to thank as many public school teachers as possible. The Lottery offers hard copy and digital thank you notes containing a unique code that teachers can enter on our website for a chance to win a vacation, a gift card and supplies for their schools from our Virginia-based SWaM business partner, The Supply Room. Looking ahead to the fall, we will be engaging with back-to-school activities, continuing to promote our mission messaging amongst our key education stakeholders across the Commonwealth.

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