



September 30, 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: August 2022 Lottery Results**

Dear Governor Youngkin:

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

August Monthly Update:

	August-22	% of Total	August-21		
<b><u>Sales</u></b>				<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
Scratchers	\$ 99,546,160	30.7%	\$ 125,636,331	\$ (26,090,171)	-20.77%
Draw Games	\$ 90,234,868	27.9%	\$ 98,847,149	\$ (8,612,281)	-8.71%
iLottery Instants	<u>\$ 134,182,744</u>	<u>41.4%</u>	<u>\$ 96,097,535</u>	<u>\$ 38,085,209</u>	<u>39.63%</u>
Total	\$ 323,963,772	100.0%	\$ 320,581,015	\$ 3,382,757	1.06%
<b><u>Prize Expense</u></b>				<b><u>FY23 Rates</u></b>	<b><u>FY22 Rates</u></b>
Scratchers	\$ 71,717,316	29.2%	\$ 90,684,938	72.0%	72.2%
Draw Games	\$ 54,662,340	22.2%	\$ 50,456,606	60.6%	51.0%
iLottery Instants	<u>\$ 119,333,305</u>	<u>48.6%</u>	<u>\$ 85,287,901</u>	<u>88.9%</u>	<u>88.8%</u>
Total	\$ 245,712,961	100.0%	\$ 226,429,445	75.8%	70.6%
<u>Retailer Earnings</u>	\$ 10,637,288		\$ 12,997,920	5.9%	5.9%
<u>Admin Expenses</u>	\$ 12,923,109		\$ 12,946,965	4.0%	4.0%
<u>Other Income</u>	\$ 134,778		\$ 92,373		
<b><u>Profits</u></b>	<b><u>\$ 54,825,192</u></b>		<b><u>\$ 68,299,058</u></b>	<b><u>\$ Change</u></b> <b><u>\$ (13,473,866)</u></b>	<b><u>% Change</u></b> <b><u>-19.73%</u></b>

Fiscal Year to Date Update:

	YTD FY23 August	% of Total	YTD FY22 August		
<b><u>Sales</u></b>				<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
Scratchers	\$ 196,905,974	28.6%	\$ 239,715,307	\$ (42,809,333)	-17.86%
Draw Games	\$ 225,272,752	32.7%	\$ 194,618,970	\$ 30,653,782	15.75%
iLottery Instants	\$ 267,096,588	38.8%	\$ 188,667,716	\$ 78,428,872	41.57%
Total	\$ 689,275,314	100.0%	\$ 623,001,993	\$ 66,273,321	10.64%
<b><u>Prize Expense</u></b>				<b><u>FY23 Rates</u></b>	<b><u>FY22 Rates</u></b>
Scratchers	\$ 139,311,391	27.9%	\$ 169,458,513	70.8%	70.7%
Draw Games	\$ 122,531,140	24.5%	\$ 100,821,009	54.4%	51.8%
iLottery Instants	\$ 237,614,241	47.6%	\$ 167,911,440	89.0%	89.0%
Total	\$ 499,456,772	100.0%	\$ 438,190,962	72.5%	70.3%
<u>Retailer Earnings</u>	\$ 22,754,921		\$ 24,747,773	5.7%	5.8%
<u>Admin Expenses</u>	\$ 27,882,873		\$ 25,151,460	4.0%	4.0%
<u>Other Income</u>	\$ 229,701		\$ 166,423		
<b><u>Profits</u></b>	<b><u>\$ 139,410,449</u></b>		<b><u>\$ 135,078,221</u></b>	<b><u>\$ 4,332,228</u></b>	<b><u>3.21%</u></b>

Sales Highlights

August 2022 scratch ticket sales experienced declines, which is consistent with industry results overall. We continue to focus on engaging with customers through product variety and improved convenience as part of our overall omnichannel commitment. Specifically, we are expanding vending equipment, utilizing licensed property themes on scratch tickets that have increased player appeal, and refocusing our advertising to be product specific as ways to improve retail sales.

Profit Highlights

While profits are trending ahead of the prior year, August profits compared to last year were particularly affected by the slowdown in retail sales.

Other Highlights

I appreciated the opportunity to meet with Secretary Cummings in September to discuss FY23 Lottery trends and goals. We will continue to coordinate with his office as we head into the fall budget and reforecasting process.

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