



June 30, 2023

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

**Re: May 2023 Lottery Results**

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of May 2023, as required in §58.1-4006 of the *Code of Virginia*. I am showing results compared to the estimates included in Chapter 769, the budget passed on April 12, 2023.

May Monthly Update:

	Monthly Actuals May FY23	% of Total	Monthly Actuals May FY22	Current Month FY23 vs FY22		Monthly Forecast May FY23	Current Month Actuals vs Forecast	
				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
<b>Sales</b>								
Scratchers	\$ 111,529,855	28.1%	\$ 98,896,184	\$ 12,633,671	12.8%	\$ 103,060,861	\$ 8,468,994	8.2%
Draw Games	\$ 92,331,252	23.3%	\$ 88,950,647	\$ 3,380,605	3.8%	\$ 96,351,749	\$ (4,020,497)	-4.2%
iLottery Instants	\$ 193,076,209	48.6%	\$ 121,307,247	\$ 71,768,962	59.2%	\$ 158,000,000	\$ 35,076,209	22.2%
Total	\$ 396,937,316	100.0%	\$ 309,154,078	\$ 87,783,238	28.4%	\$ 357,412,610	\$ 39,524,706	11.1%
<b>Prize Expense</b>				<u>FY23 Rates</u>	<u>FY22 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 81,773,369	27.1%	\$ 70,877,025	73.3%	71.7%	\$ 73,997,698	71.8%	
Draw Games	\$ 48,678,887	16.1%	\$ 45,234,164	52.7%	50.9%	\$ 51,376,766	53.3%	
iLottery Instants	\$ 171,372,369	56.8%	\$ 107,446,333	88.8%	88.6%	\$ 140,304,000	88.8%	
Total	\$ 301,824,625	100.0%	\$ 223,557,522	76.0%	72.3%	\$ 265,678,464	74.3%	
<u>Retailer Earnings</u>	\$ 10,988,157		\$ 10,758,361	5.6%	5.9%	\$ 11,248,828	5.7%	
<u>Admin Expenses</u>	\$ 16,351,086		\$ 13,755,390	4.1%	4.4%	\$ 13,190,205	3.7%	
<u>Other Income</u>	\$ 621,034		\$ 32,324			\$ 266,487		
<b>Profits</b>	<u>\$ 68,394,482</u>		<u>\$ 61,115,129</u>	<u>\$ 7,279,353</u>	<u>11.9%</u>	<u>\$ 67,561,600</u>	<u>\$ 832,882</u>	<u>1.2%</u>

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Fiscal Year to Date Update:

	YTD FY23 May	% of Total	YTD FY22 May	Year to Date FY23 vs FY22		Forecast FY23 YTD May	Year to Date FY23 vs FY23 Forecast	
				\$ Change	% Change		\$ Change	% Change
<b>Sales</b>								
Scratchers	\$ 1,178,853,060	27.9%	\$ 1,230,829,278	\$ (51,976,218)	-4.2%	\$ 1,140,913,054	\$ 37,940,006	3.3%
Draw Games	\$ 1,176,626,537	27.8%	\$ 1,057,430,372	\$ 119,196,165	11.3%	\$ 1,079,014,085	\$ 97,612,452	9.0%
iLottery Instants	\$ 1,871,663,864	44.3%	\$ 1,164,378,381	\$ 707,285,483	60.7%	\$ 1,629,227,069	\$ 242,436,795	14.9%
Total	\$ 4,227,143,461	100.0%	\$ 3,452,638,031	\$ 774,505,430	22.4%	\$ 3,849,154,208	\$ 377,989,253	9.8%
<b>Prize Expense</b>				<b>FY23 Rates</b>	<b>FY22 Rates</b>		<b>Forecast Rates</b>	
Scratchers	\$ 850,700,420	27.2%	\$ 880,091,846	72.2%	71.5%	\$ 819,175,573	71.8%	
Draw Games	\$ 612,657,968	19.6%	\$ 538,890,745	52.1%	51.0%	\$ 574,063,611	53.2%	
iLottery Instants	\$ 1,663,936,144	53.2%	\$ 1,032,709,736	88.9%	88.7%	\$ 1,446,753,637	88.8%	
Total	\$ 3,127,294,532	100.0%	\$ 2,451,692,327	74.0%	71.0%	\$ 2,839,992,821	73.8%	
Retailer Earnings	\$ 126,857,709		\$ 128,353,726	5.7%	5.8%	\$ 125,164,922	5.7%	
Admin Expenses	\$ 175,968,312		\$ 144,844,028	4.2%	4.2%	\$ 169,512,008	4.4%	
Other Income	\$ 4,190,534		\$ 891,676			\$ 1,432,975		
<b>Profits</b>	<b>\$ 801,213,442</b>		<b>\$ 728,639,626</b>	<b>\$ 72,573,816</b>	<b>10.0%</b>	<b>\$ 715,917,432</b>	<b>\$ 85,296,010</b>	<b>11.9%</b>

Sales Highlights

For FY23, total sales are nearly 10% ahead of the official forecast, primarily from the strong jackpot game sales this year (Mega Millions and Powerball) and the continued strength of iLottery offerings. Year-over-year comparison shows sales up more than 22%. However, scratcher ticket sales, games that are sold only in retail stores, are down 4% compared to last year. For the first time in Virginia Lottery history, total sales crossed the \$4 billion mark in May.

Profit Highlights

Profits for the month and year-to-date continue strong. May profits were very close to forecast, and our surplus through May is just over \$85 million. We have met the profit transfers expected in the budget for the current fiscal year. All residual profits, in excess of the anticipated profits in the FY23 budget, will become part of the FY24 transfers available to the Lottery Proceeds Fund. We continue to keep staff for the money committees and within your administration up to date on these figures.

Other Highlights

This week the agency collectively reviewed our performance compared to FY23 strategic goals and discussed our goals for next fiscal year. In FY23, our lottery business strategy included strengthening our product portfolio, improving customer experiences, and leveraging our retail partnerships. We accomplished these goals by more effectively managing core scratcher games, conducting a draw game portfolio analysis, and growing our sales responsibly by increasing our overall playership numbers.

In FY24 we will focus on driving same store sales growth at retail and maintaining strong relationships with our players through the introduction of a loyalty program.

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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