



August 25, 2023

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

Re: June 2023 Lottery Results

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of June 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. While the Lottery financial audit is not yet complete, the Auditor of Public Accounts certified the FY23 profits on August 15, 2023; that certified profit figure is included in these results.

June Monthly Update:

	Monthly Actuals June FY23	% of Total	Monthly Actuals June FY22	Current Month FY23 vs FY22		Monthly Forecast June FY23	Current Month Actuals vs Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 102,820,012	26.7%	\$ 94,241,985	\$ 8,578,027	9.1%	\$ 99,978,266	\$ 2,841,746	2.8%
Draw Games	\$ 92,783,766	24.1%	\$ 90,735,999	\$ 2,047,767	2.3%	\$ 92,721,583	\$ 62,183	0.1%
iLottery Instants	\$ 189,108,581	49.2%	\$ 114,799,250	\$ 74,309,331	64.7%	\$ 156,000,000	\$ 33,108,581	21.2%
Total	\$ 384,712,359	100.0%	\$ 299,777,234	\$ 84,935,125	28.3%	\$ 348,699,849	\$ 36,012,510	10.3%
Prize Expense				FY23 Rates	FY22 Rates		Forecast Rates	
Scratchers	\$ 74,710,806	25.8%	\$ 67,846,473	72.7%	72.0%	\$ 71,784,395	71.8%	
Draw Games	\$ 45,204,022	15.6%	\$ 56,175,634	48.7%	61.9%	\$ 49,480,934	53.4%	
iLottery Instants	\$ 169,163,961	58.5%	\$ 101,210,566	89.5%	88.2%	\$ 138,528,000	88.8%	
Total	\$ 289,078,789	100.0%	\$ 225,232,673	75.1%	75.1%	\$ 259,793,329	74.5%	
<u>Retailer Earnings</u>	\$ 10,442,983		\$ 10,254,206	5.6%	5.7%	\$ 10,873,836	5.7%	
<u>Admin Expenses</u>	\$ 19,406,769		\$ 13,433,404	5.0%	4.5%	\$ 13,035,413	3.7%	
<u>Other Income</u>	\$ 354,642		\$ 72,709			\$ 266,487		
Profits	\$ 66,138,460		\$ 50,929,660	\$ 15,208,800	29.9%	\$ 65,263,758	\$ 874,702	1.3%

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Fiscal Year to Date Update:

	YTD FY23 June	% of Total	YTD FY22 June	Year to Date FY23 vs FY22		Forecast FY23 YTD June	Year to Date FY23 vs FY23 Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 1,281,673,072	27.8%	\$ 1,325,071,263	\$ (43,398,191)	-3.3%	\$ 1,240,891,320	\$ 40,781,752	3.3%
Draw Games	\$ 1,267,910,303	27.5%	\$ 1,147,666,371	\$ 120,243,932	10.5%	\$ 1,171,735,669	\$ 96,174,634	8.2%
iLottery Instants	\$ 2,062,272,445	44.7%	\$ 1,279,677,631	\$ 782,594,814	61.2%	\$ 1,785,227,069	\$ 277,045,376	15.5%
Total	\$ 4,611,855,820	100.0%	\$ 3,752,415,265	\$ 859,440,555	22.9%	\$ 4,197,854,058	\$ 414,001,762	9.9%
Prize Expense				FY23 Rates	FY22 Rates		Forecast Rates	
Scratchers	\$ 925,411,226	27.1%	\$ 947,938,319	72.2%	71.5%	\$ 890,959,967	71.8%	
Draw Games	\$ 656,661,989	19.2%	\$ 594,666,379	51.8%	51.8%	\$ 623,544,546	53.2%	
iLottery Instants	\$ 1,834,300,105	53.7%	\$ 1,134,320,302	88.9%	88.6%	\$ 1,585,281,637	88.8%	
Total	\$ 3,416,373,320	100.0%	\$ 2,676,925,000	74.1%	71.3%	\$ 3,099,786,150	73.8%	
Retailer Earnings	\$ 137,300,692		\$ 138,607,932	5.7%	5.8%	\$ 136,038,757	5.7%	
Admin Expenses	\$ 195,375,081		\$ 158,277,437	4.2%	4.2%	\$ 182,547,417	4.3%	
Other Income	\$ 4,545,175		\$ 964,390			\$ 1,699,460		
Profits	\$ 867,351,902		\$ 779,569,286	\$ 87,782,616	11.3%	\$ 781,181,194	\$ 86,170,708	11.0%

Sales Highlights

For FY23, lottery activity set several records: total annual sales of \$4.6 billion and record product sales for iLottery Instants, Mega Millions, and Powerball. Year-over-year comparison shows sales up nearly 23%. While scratcher ticket sales, games that are sold only in retail stores, finished down 3% compared to last year, overall retail sales finished the year up about 1%.

Profit Highlights

Profits also set a new record in FY23, with more than \$867 million that will support K-12 public education in Virginia. The profit transfers were executed as directed by the budget, and profits in excess of the FY23 official estimate will become part of FY24 resources available in the Lottery Proceeds Fund. This residual FY23 profit was transferred on August 16.

Also notable is the Lottery's efficiency in operating costs, finishing the year at an overall 4.2% of sales – less than half of the statutory maximum. Players won a record \$3.4 billion in prizes, and retailers earned nearly 5.7% of their sales in commissions and incentives.

Other Highlights

We continue our commitment to responsible gaming. In late July, the Lottery was recognized by the National Council on Problem Gambling with an award for its Gift Responsibly campaign which is designed to remind Virginians not to give tickets as gifts to minors.

Our FY23 record-breaking support of Virginia's K-12 public education is made possible by offering fun and engaging products in a responsible manner. We also have the added benefit of being led by an agency filled with committed employees who understand the importance of our mission.

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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
- Sharon H. Lawrence, Acting State Comptroller
- April Kees, Director, Senate Finance & Appropriations Committee
- Anne E. Oman, Staff Director, House Appropriations Committee
- Ferhan Hamid, Chairman, Virginia Lottery Board