



September 29, 2023

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

Re: August 2023 Lottery Results

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of August 2023, as required in §58.1-4006 of the *Code of Virginia*.

August Monthly Update:

	Monthly Actuals Aug FY24	% of Total	Monthly Actuals Aug FY23	Current Month FY24 vs FY23	
<u>Sales</u>				<u>\$ Change</u>	<u>% Change</u>
Scratchers	\$ 94,157,000	21.3%	\$ 99,546,160	\$ (5,389,160)	-5.4%
Draw Games	\$ 117,321,114	26.6%	\$ 90,234,868	\$ 27,086,246	30.0%
iLottery Instants	\$ 230,246,343	<u>52.1%</u>	\$ 134,182,743	\$ 96,063,600	<u>71.6%</u>
Total	\$ 441,724,457	100.0%	\$ 323,963,771	\$ 117,760,686	36.3%
<u>Prize Expense</u>				<u>FY24 Rates</u>	<u>FY23 Rates</u>
Scratchers	\$ 68,782,909	20.1%	\$ 71,717,316	73.1%	72.0%
Draw Games	\$ 66,612,578	19.5%	\$ 54,662,340	56.8%	60.6%
iLottery Instants	\$ 206,497,816	<u>60.4%</u>	\$ 119,333,305	<u>89.7%</u>	<u>88.9%</u>
Total	\$ 341,893,303	100.0%	\$ 245,712,961	77.4%	75.8%
<u>Retailer Earnings</u>	\$ 10,696,905		\$ 10,637,288	5.5%	5.9%
<u>Admin Expenses</u>	\$ 15,653,320		\$ 12,923,109	3.5%	4.0%
<u>Other Income</u>	\$ 797,239		\$ 134,779		
<u>Profits</u>	<u>\$ 74,278,168</u>		<u>\$ 54,825,192</u>	<u>\$ 19,452,976</u>	<u>35.5%</u>

Fiscal Year to Date Update:

	YTD FY24 Aug	% of Total	YTD FY23 Aug	Year to Date FY24 vs FY23	
<u>Sales</u>				<u>\$ Change</u>	<u>% Change</u>
Scratchers	\$ 192,449,282	21.8%	\$ 196,905,974	\$ (4,456,692)	-2.3%
Draw Games	\$ 246,435,325	27.9%	\$ 225,272,752	\$ 21,162,573	9.4%
iLottery Instants	\$ 445,395,253	<u>50.4%</u>	\$ 267,096,588	\$ 178,298,665	<u>66.8%</u>
Total	\$ 884,279,860	100.0%	\$ 689,275,314	\$ 195,004,546	28.3%
<u>Prize Expense</u>				<u>FY24 Rates</u>	<u>FY23 Rates</u>
Scratchers	\$ 136,954,867	20.5%	\$ 139,311,391	71.2%	70.8%
Draw Games	\$ 130,917,012	19.6%	\$ 122,531,140	53.1%	54.4%
iLottery Instants	\$ 400,154,766	<u>59.9%</u>	\$ 237,614,240	<u>89.8%</u>	<u>89.0%</u>
Total	\$ 668,026,645	100.0%	\$ 499,456,771	75.5%	72.5%
<u>Retailer Earnings</u>	\$ 22,245,857		\$ 22,754,921	5.5%	5.7%
<u>Admin Expenses</u>	\$ 31,138,982		\$ 27,882,873	3.5%	4.0%
<u>Other Income</u>	\$ 1,554,557		\$ 229,701		
<u>Profits</u>	<u>\$ 164,422,933</u>		<u>\$ 139,410,450</u>	<u>\$ 25,012,483</u>	<u>17.9%</u>

Sales Highlights

August highlights include the culmination of the Mega Millions national jackpot rolling to \$1.58 billion with a single winning ticket sold in Florida. Overall, cumulative sales were up 28% compared to the same period last year. Sales of iLottery Instants continue to be strong, up nearly 67% compared to last year.

Profit Highlights

August monthly profits were also impressive, up more than 35% compared to the same month last year. For the first two months of FY24, profits are 18% or \$25 million higher than last year. Retailer earnings and the overall earnings rate continue to lag compared to last year, mainly due to the timing of a new quarterly incentive program which will not be paid to retailers until the end of the first quarter.

Other Highlights

The Virginia Lottery participated in the Senate Finance & Appropriations Committee meeting earlier this month, and we continue to work closely with the Secretary of Finance as the fall revenue forecast process begins.

The Lottery also recently celebrated the 35th anniversary of the first lottery ticket sold in Virginia. The \$1 Match 3 Scratcher debuted to Virginians at midnight on September 20, 1988, and was the only ticket in the marketplace. Today the Lottery is proud to offer a wide range of products, at retail and online, from which all profits support K-12 education in the Commonwealth.

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

Respectfully,

A handwritten signature in black ink that reads "Tony R. Russell". The signature is written in a cursive style with a large initial "T" and "R".

Tony R. Russell

- 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