



January 31, 2024

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

Re: December 2023 Lottery Results

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of December 2023, as required in §58.1-4006 of the *Code of Virginia*. Comparisons to forecast are based on the estimates as included in HB/SB29 for fiscal year 2024.

December Monthly Update:

	Monthly Actuals Dec FY24	% of Total	Monthly Actuals Dec FY23	Current Month FY24 vs FY23		Monthly Forecast Dec FY24	Current Month Actuals vs Forecast	
				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Sales								
Scratchers	\$ 124,420,031	24.9%	\$ 125,612,768	\$ (1,192,737)	-0.9%	\$ 114,000,000	\$ 10,420,031	9.1%
Draw Games	\$ 110,894,516	22.2%	\$ 104,606,839	\$ 6,287,677	6.0%	\$ 97,070,875	\$ 13,823,641	14.2%
iLottery Instants	\$ 264,037,246	52.9%	\$ 191,717,858	\$ 72,319,388	37.7%	\$ 245,000,000	\$ 19,037,246	7.8%
Total	\$ 499,351,793	100.0%	\$ 421,937,465	\$ 77,414,328	18.3%	\$ 456,070,875	\$ 43,280,918	9.5%
Prize Expense				<u>FY24 Rates</u>	<u>FY23 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 90,570,197	23.4%	\$ 91,494,161	72.8%	72.8%	\$ 82,308,000	72.2%	
Draw Games	\$ 59,508,725	15.4%	\$ 59,805,711	53.7%	57.2%	\$ 51,778,520	53.3%	
iLottery Instants	\$ 236,592,982	61.2%	\$ 171,935,025	89.6%	89.7%	\$ 217,805,000	88.9%	
Total	\$ 386,671,904	100.0%	\$ 323,234,897	77.4%	76.6%	\$ 351,891,520	77.2%	
<u>Retailer Earnings</u>	\$ 13,730,177		\$ 12,873,267	6.2%	5.9%	\$ 12,010,150	5.7%	
<u>Admin Expenses</u>	\$ 16,278,751		\$ 15,212,395	3.3%	3.6%	\$ 20,336,161	4.5%	
<u>Other Income</u>	\$ 1,281,749		\$ 689,692			\$ 350,000		
Profits	\$ 83,952,710		\$ 71,306,598	\$ 12,646,112	17.7%	\$ 72,183,044	\$ 11,769,666	16.3%

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December Highlights

Sales and profits were both stronger than last December, with both metrics moving at nearly the same 18% increase. Scratcher sales declined again in December, but draw game sales were supported by the growth of the Powerball jackpot that was eventually won at \$842M on New Year’s Day. Holiday seasonal sales were supported at our valued retail partners across Virginia, through holiday marketing campaigns and retailer incentives focused on product availability.

Fiscal Year to Date Update:

	YTD FY24 Dec	% of Total	YTD FY23 Dec	Year to Date FY24 vs FY23		Forecast FY24 YTD Dec	Year to Date FY24 vs FY24 Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 605,306,497	22.7%	\$ 646,001,547	\$ (40,695,050)	-6.3%	\$ 595,408,963	\$ 9,897,534	1.7%
Draw Games	\$ 672,005,515	25.2%	\$ 668,341,084	\$ 3,664,431	0.5%	\$ 658,162,380	\$ 13,843,135	2.1%
iLottery Instants	\$ 1,385,209,180	52.0%	\$ 905,774,401	\$ 479,434,779	52.9%	\$ 1,378,273,257	\$ 6,935,923	0.5%
Total	\$ 2,662,521,192	100.0%	\$ 2,220,117,032	\$ 442,404,160	19.9%	\$ 2,631,844,600	\$ 30,676,592	1.2%
Prize Expense				FY24 Rates	FY23 Rates		Forecast Rates	
Scratchers	\$ 437,751,925	21.4%	\$ 463,567,531	72.3%	71.8%	\$ 429,885,271	72.2%	
Draw Games	\$ 364,550,235	17.8%	\$ 357,467,047	54.2%	53.5%	\$ 348,389,001	52.9%	
iLottery Instants	\$ 1,241,833,481	60.8%	\$ 807,563,176	89.6%	89.2%	\$ 1,225,284,922	88.9%	
Total	\$ 2,044,135,641	100.0%	\$ 1,628,597,754	76.8%	73.4%	\$ 2,003,559,194	76.1%	
<u>Retailer Earnings</u>	\$ 67,738,213		\$ 70,766,104	5.7%	5.7%	\$ 70,513,014	5.7%	
<u>Admin Expenses</u>	\$ 98,668,461		\$ 92,496,823	3.7%	4.2%	\$ 118,063,975	4.5%	
<u>Other Income</u>	\$ 6,381,290		\$ 1,927,243			\$ 2,100,000		
Profits	\$ 458,360,167		\$ 430,183,594	\$ 28,176,573	6.5%	\$ 441,808,417	\$ 16,551,750	3.7%

Year to Date Highlights

For the first half of the fiscal year, iLottery Instants continue to experience strong growth in the fourth year of availability. Though retail sales activity continued to lag the prior year, the decline was less significant in December as more skill games were disabled in the market. Overall profits are up more than 6% compared to last year and are tracking ahead of the updated forecast included in your introduced budget.

Other Highlights

We are monitoring legislation during the 2024 Session, including many proposals related to the regulation of skill games, casino gaming, and illegal gambling coordination efforts. Amidst this busy legislative season, we look forward to highlighting the Lottery’s important mission of supporting K-12 public education by awarding our three newest Thank a Teacher Art Contest winners with surprise presentations in Roanoke, York and Fauquier in early March. If schedules permit, we’d be honored to have you or members of the administration join us.

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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 L. Louise Lucas, Chairwoman, Senate Finance & Appropriations Committee
- The Honorable Luke E. Torian, Chairman, House Appropriations Committee
- The Honorable Vivian E. Watts, 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