



January 3, 2024

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

**Re: November 2023 Lottery Results**

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of November 2023, as required in §58.1-4006 of the *Code of Virginia*. Also with this month’s reporting, I am providing activity compared to the forecasted Lottery profit transfers as included in HB/SB29 for fiscal year 2024.

November Monthly Update:

	Monthly Actuals Nov FY24	% of Total	Monthly Actuals Nov FY23	Current Month FY24 vs FY23		Monthly Forecast Nov FY24	Current Month Actuals vs Forecast	
				\$ Change	% Change		\$ Change	% Change
<b>Sales</b>								
Scratchers	\$ 101,844,793	24.0%	\$ 109,188,876	\$ (7,344,083)	-6.7%	\$ 102,000,000	\$ (155,207)	-0.2%
Draw Games	\$ 94,268,902	22.2%	\$ 133,510,441	\$ (39,241,539)	-29.4%	\$ 91,981,515	\$ 2,287,387	2.5%
iLottery Instants	\$ 228,450,219	53.8%	\$ 171,051,357	\$ 57,398,862	33.6%	\$ 232,591,717	\$ (4,141,498)	-1.8%
Total	\$ 424,563,914	100.0%	\$ 413,750,674	\$ 10,813,240	2.6%	\$ 426,573,232	\$ (2,009,318)	-0.5%
<b>Prize Expense</b>				FY24 Rates	FY23 Rates		Forecast Rates	
Scratchers	\$ 74,558,876	22.3%	\$ 79,726,269	73.2%	73.0%	\$ 73,644,000	72.2%	
Draw Games	\$ 55,652,319	16.6%	\$ 67,727,471	59.0%	50.7%	\$ 49,115,389	53.4%	
iLottery Instants	\$ 204,558,241	61.1%	\$ 152,639,854	89.5%	89.2%	\$ 206,774,036	88.9%	
Total	\$ 334,769,436	100.0%	\$ 300,093,594	78.9%	72.5%	\$ 329,533,425	77.3%	
Retailer Earnings	\$ 10,643,471		\$ 12,496,980	5.7%	5.5%	\$ 11,010,048	5.7%	
Admin Expenses	\$ 18,583,017		\$ 18,775,239	4.4%	4.5%	\$ 19,654,505	4.6%	
Other Income	\$ 1,561,305		\$ 511,766			\$ 350,000		
<b>Profits</b>	<b>\$ 62,129,295</b>		<b>\$ 82,896,627</b>	<b>\$ (20,767,332)</b>	<b>-25.1%</b>	<b>\$ 66,725,254</b>	<b>\$ (4,595,959)</b>	<b>-6.9%</b>

**November Highlights**

While overall sales were slightly higher than last November, profits were significantly lower; sales growth came from iLottery Instants, which have a lower profit margin. Last November, the Powerball jackpot grew to \$2.04 billion, generating significant Draw Games sales last year. Also notable is the high 59.0% prize expense rate for Draw Games this month – players were lucky with “triples” (e.g., 9-9-9, 2-2-2) drawn four times during the month. Daily draw games (Pick 3, Pick 4, Pick 5) can have high prize expense rate volatility during short periods of time.

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Fiscal Year to Date Update:

	YTD FY24 Nov	% of Total	YTD FY23 Nov	Year to Date FY24 vs FY23		Forecast FY24 YTD Nov	Year to Date FY24 vs FY24 Forecast	
				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
<b>Sales</b>								
Scratchers	\$ 480,886,466	22.2%	\$ 520,388,779	\$ (39,502,313)	-7.6%	\$ 481,408,963	\$ (522,497)	-0.1%
Draw Games	\$ 561,111,000	25.9%	\$ 563,734,246	\$ (2,623,246)	-0.5%	\$ 561,091,505	\$ 19,495	0.0%
iLottery Instants	\$ 1,121,171,934	51.8%	\$ 714,056,543	\$ 407,115,391	57.0%	\$ 1,133,273,257	\$ (12,101,323)	-1.1%
Total	\$ 2,163,169,400	100.0%	\$ 1,798,179,568	\$ 364,989,832	20.3%	\$ 2,175,773,725	\$ (12,604,325)	-0.6%
<b>Prize Expense</b>				<u>FY24 Rates</u>	<u>FY23 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 347,181,729	20.9%	\$ 372,073,370	72.2%	71.5%	\$ 347,577,271	72.2%	
Draw Games	\$ 305,041,511	18.4%	\$ 297,661,336	54.4%	52.8%	\$ 296,610,481	52.9%	
iLottery Instants	\$ 1,005,240,498	60.6%	\$ 635,628,152	89.7%	89.0%	\$ 1,007,479,926	88.9%	
Total	\$ 1,657,463,738	100.0%	\$ 1,305,362,858	76.6%	72.6%	\$ 1,651,667,678	75.9%	
Retailer Earnings	\$ 54,008,036		\$ 57,892,838	5.6%	5.6%	\$ 58,502,864	5.7%	
Admin Expenses	\$ 82,389,710		\$ 77,284,427	3.8%	4.3%	\$ 97,727,809	4.5%	
Other Income	\$ 5,099,541		\$ 1,237,551			\$ 1,750,000		
<b>Profits</b>	<u>\$ 374,407,457</u>		<u>\$ 358,876,996</u>	<u>\$ 15,530,461</u>	<u>4.3%</u>	<u>\$ 369,625,374</u>	<u>\$ 4,782,083</u>	<u>1.3%</u>

### Year to Date Highlights

For the fiscal year through November, iLottery Instants continue to experience strong growth in its fourth year of availability. Retail sales activity continues to lag the prior year, down 5.5% compared to last year. Overall profits are up more than 4% compared to last year and are tracking close to the updated forecast included in your introduced budget. November profits were lower than forecast because of higher-than-expected prize expenses, which eroded nearly half of the year-to-date profit surplus.

### Other Highlights

The annual Virginia's New Year's Millionaire Raffle, which could be purchased only from our valuable retail partners, sold out on Friday, December 29. The drawing was held on the first day of 2024 and, out of 625,000 tickets, five lucky ticket holders won \$1 million each. We also drew for seven \$100,000 winners and 1,000 \$500 winners. All in all, a great way for many Virginia Lottery players to kick off the new year!

The Virginia Lottery Board will hold a regularly scheduled meeting in Richmond on January 10, 2024. The Board will recognize outgoing member Vonda Collins, who has provided strong support to the Board during the start-up of sports betting and casino regulatory activities.

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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 prominent initial "T".

Tony R. Russell

- c:     The Honorable Janet D. Howell, Co-Chairwoman, Senate Finance & Appropriations Committee  
          The Honorable George L. Barker, Co-Chairman, 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