



August 20, 2024

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

Re: June 2024 Lottery Results

Dear Governor Youngkin:

I am very pleased to provide our report of monthly activities and financial update for the month of June 2024, as required in §58.1-4006 of the *Code of Virginia*. Comparisons to forecast are based on the estimates as included in Chapter 1, 2024 Special Session I for fiscal year 2024. While the Lottery financial audit is not yet complete, the Auditor of Public Accounts certified the FY24 profits on August 12, 2024; that certified profit figure is included in these results.

June Monthly Update:

	Monthly Actuals June FY24	% of Total	Monthly Actuals June FY23	Current Month FY24 vs FY23		Monthly Forecast June FY24	Current Month Actuals vs Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 113,451,210	25.2%	\$ 102,820,012	\$ 10,631,198	10.3%	\$ 99,461,565	\$ 13,989,645	14.1%
Draw Games	\$ 91,231,685	20.3%	\$ 92,783,766	\$ (1,552,081)	-1.7%	\$ 90,991,161	\$ 240,524	0.3%
iLottery Instants	\$ 244,991,302	54.5%	\$ 189,108,581	\$ 55,882,721	29.6%	\$ 246,000,000	\$ (1,008,698)	-0.4%
Total	\$ 449,674,197	100.0%	\$ 384,712,359	\$ 64,961,838	16.9%	\$ 436,452,726	\$ 13,221,471	3.0%
Prize Expense				<u>FY24 Rates</u>	<u>FY23 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 83,561,654	23.6%	\$ 74,710,806	73.7%	72.7%	\$ 71,811,250	72.2%	
Draw Games	\$ 52,566,296	14.9%	\$ 45,204,022	57.6%	48.7%	\$ 48,710,168	53.5%	
iLottery Instants	\$ 217,482,801	61.5%	\$ 169,163,961	88.8%	89.5%	\$ 218,694,000	88.9%	
Total	\$ 353,610,751	100.0%	\$ 289,078,789	78.6%	75.1%	\$ 339,215,418	77.7%	
<u>Retailer Earnings</u>	\$ 12,186,625		\$ 10,442,983	6.3%	5.6%	\$ 10,802,931	5.7%	
<u>Admin Expenses</u>	\$ 20,053,891		\$ 19,406,765	4.5%	5.0%	\$ 20,000,582	4.6%	
<u>Other Income</u>	\$ 652,647		\$ 354,638			\$ 350,000		
Profits	\$ 64,475,577		\$ 66,138,460	\$ (1,662,883)	-2.5%	\$ 66,783,795	\$ (2,308,218)	-3.5%

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Fiscal Year to Date Update:

	FY2024	% of Total	FY2023	FY24 vs FY23		Forecast FY2024	FY24 vs FY24 Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 1,314,085,654	23.8%	\$ 1,281,673,073	\$ 32,412,581	2.5%	\$ 1,217,870,528	\$ 96,215,126	7.9%
Draw Games	\$ 1,300,962,077	23.6%	\$ 1,267,910,303	\$ 33,051,774	2.6%	\$ 1,230,137,650	\$ 70,824,427	5.8%
iLottery Instants	\$ 2,905,957,135	52.6%	\$ 2,062,272,445	\$ 843,684,690	40.9%	\$ 2,850,000,000	\$ 55,957,135	2.0%
Total	\$ 5,521,004,866	100.0%	\$ 4,611,855,821	\$ 909,149,045	19.7%	\$ 5,298,008,178	\$ 222,996,688	4.2%
Prize Expense				FY24 Rates	FY23 Rates		Forecast Rates	
Scratchers	\$ 956,595,844	22.5%	\$ 925,411,226	72.8%	72.2%	\$ 879,302,521	72.2%	
Draw Games	\$ 693,269,806	16.3%	\$ 656,661,989	53.3%	51.8%	\$ 653,770,122	53.1%	
iLottery Instants	\$ 2,595,878,167	61.1%	\$ 1,834,300,105	89.3%	88.9%	\$ 2,533,650,000	88.9%	
Total	\$ 4,245,743,817	100.0%	\$ 3,416,373,320	76.9%	74.1%	\$ 4,066,722,643	76.8%	
Retailer Earnings	\$ 141,510,188		\$ 137,300,694	5.8%	5.7%	\$ 138,251,127	5.7%	
Admin Expenses	\$ 210,044,686		\$ 195,375,077	3.8%	4.2%	\$ 238,736,843	4.5%	
Other Income	\$ 10,392,801		\$ 4,545,172			\$ 4,200,000		
Profits	\$ 934,098,976		\$ 867,351,902	\$ 66,747,074	7.7%	\$ 858,497,565	\$ 75,601,411	8.8%

Sales Highlights

For the fiscal year, iLottery Instants continue to experience strong growth. Retail sales finished the year stronger than the prior year, up nearly \$33M. Overall profits are up 7.7% compared to last year, and nearly 9% stronger than the forecast. The \$75.6M excess profits were transferred to the Lottery Proceeds Fund earlier this month, and become available for use in FY25. The 2024 Appropriation Act (Chapter 2) already included \$25M in anticipated surplus profits from this fiscal year. The actual residual profit transfer will be included in the overall updated forecast of Lottery Proceeds Funds as part of the overall state revenue forecast, discussed with the Lottery Board for their recommendation this fall, and forwarded to you for inclusion in your revised budget.

Other Highlights

With the closure of the fiscal year, I am proud to announce that the Virginia Lottery set many records, including overall sales, profits, retailer earnings, and iLottery sales. Our valued retail network of more than 5,300 licensed locations across the Commonwealth earned record high commissions of \$141.5M, representing 5.8% of in-store sales. These outstanding results all were achieved while also keeping administrative expenses at an efficient and record low 3.8%.

Thank you for helping us celebrate our unparalleled year at the August 7 profit turnover announcement. Having you and members of your administration join our team and Lottery Board members for this exciting public announcement was an honor for the entire agency. We were thrilled to share our excitement for our proud achievements for K-12 public education in Virginia. We look forward to continuing the momentum, setting more records next year and keeping the Virginia Lottery operating as a best-in-class business with a focus on the customer experience and responsible play, while consistently maintaining the public trust.

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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, appearing to read "Khalid R. Jones". The signature is fluid and cursive, with the first name "Khalid" being more prominent than the last name "Jones".

Khalid R. Jones

- 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 John Littel, Chief of Staff, Office of the Governor
- The Honorable Stephen E. Cummings, Secretary of Finance
- Michael Maul, Director, Department of Planning & Budget
- Scott Adams, State Comptroller
- April Kees, Director, Senate Finance & Appropriations Committee
- Anne E. Oman, Staff Director, House Appropriations Committee
- Ferhan Hamid, Chairman, Virginia Lottery Board