



March 31, 2026

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

Re: February 2026 Lottery Results

Dear Governor Spanberger:

I am very pleased to provide our report of monthly activities and financial update for the month of February 2026, 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 Chapter 7, 2026 Session for fiscal year 2026.

February Monthly Update:

Sales	Monthly Actuals	% of Total	Monthly Actuals	Current Month		Monthly Forecast	Current Month	
	Feb FY26		Feb FY25	FY26 vs FY25	% Change	Feb FY26	Actuals vs Forecast	% Change
Sales				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Scratchers	\$ 82,229,756	17.0%	\$ 94,028,866	\$ (11,799,110)	-12.5%	\$ 94,029,111	\$ (11,799,355)	-12.5%
Draw Games	\$ 85,832,906	17.7%	\$ 78,194,226	\$ 7,638,680	9.8%	\$ 90,352,565	\$ (4,519,659)	-5.0%
iLottery Instants	\$ 315,711,640	<u>65.3%</u>	\$ 303,394,501	\$ 12,317,139	4.1%	\$ 332,116,422	\$ (16,404,782)	-4.9%
Total	\$ 483,774,302	100.0%	\$ 475,617,593	\$ 8,156,709	1.7%	\$ 516,498,098	\$ (32,723,796)	-6.3%
Prize Expense				<u>FY26 Rates</u>	<u>FY25 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 61,136,066	15.3%	\$ 69,854,609	74.3%	74.3%	\$ 69,581,542	74.0%	
Draw Games	\$ 57,425,400	14.4%	\$ 36,927,411	66.9%	47.2%	\$ 49,254,297	54.5%	
iLottery Instants	\$ 279,769,906	<u>70.2%</u>	\$ 268,679,475	<u>88.6%</u>	<u>88.6%</u>	\$ 298,074,489	<u>89.8%</u>	
Total	\$ 398,331,372	100.0%	\$ 375,461,495	82.3%	78.9%	\$ 416,910,328	80.7%	
<u>Retailer Earnings</u>	\$ 9,229,288		\$ 9,514,711	6.0%	5.9%	\$ 10,119,713	5.7%	
<u>Admin Expenses</u>	\$ 19,868,245		\$ 18,850,191	4.1%	4.0%	\$ 22,746,680	4.4%	
<u>Other Income</u>	\$ 740,010		\$ 641,161			\$ 750,000		
Profits	\$ <u>57,085,407</u>		\$ <u>72,432,357</u>	<u>\$ (15,346,950)</u>	<u>-21.2%</u>	\$ <u>67,471,377</u>	<u>\$ (10,385,970)</u>	<u>-15.4%</u>

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Fiscal Year-to-Date Update:

	YTD FY26	% of Total	YTD FY25	Year to Date		Forecast FY26	Year to Date	
	Feb		Feb	FY26 vs FY25	FY25	YTD Feb	FY26 vs FY25 Forecast	Forecast
Sales				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Scratchers	\$ 785,968,589	18.3%	\$ 856,493,034	\$ (70,524,445)	-8.2%	\$ 837,255,180	\$ (51,286,591)	-6.1%
Draw Games	\$ 861,940,133	20.1%	\$ 757,159,426	\$ 104,780,707	13.8%	\$ 834,714,525	\$ 27,225,608	3.3%
iLottery Instants	\$ 2,637,756,409	<u>61.5%</u>	\$ 2,106,783,976	\$ 530,972,433	25.2%	\$ 2,597,945,854	\$ 39,810,555	1.5%
Total	\$ 4,285,665,131	100.0%	\$ 3,720,436,436	\$ 565,228,695	15.2%	\$ 4,269,915,559	\$ 15,749,572	0.4%
Prize Expense				<u>FY26 Rates</u>	<u>FY25 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 576,692,024	16.9%	\$ 628,222,604	73.4%	73.3%	\$ 618,463,997	73.9%	
Draw Games	\$ 484,189,192	14.2%	\$ 370,190,426	56.2%	48.9%	\$ 465,236,098	55.7%	
iLottery Instants	\$ 2,356,392,513	<u>69.0%</u>	\$ 1,882,181,031	<u>89.3%</u>	<u>89.3%</u>	\$ 2,316,236,076	<u>89.2%</u>	
Total	\$ 3,417,273,729	100.0%	\$ 2,880,594,061	79.7%	77.4%	\$ 3,399,936,171	79.6%	
<u>Retailer Earnings</u>	\$ 87,383,194		\$ 87,244,355	5.8%	5.7%	\$ 91,557,491	5.7%	
<u>Admin Expenses</u>	\$ 166,643,548		\$ 146,169,615	3.9%	3.9%	\$ 187,639,625	4.4%	
<u>Other Income</u>	\$ 7,847,885		\$ 8,069,016			\$ 6,000,000		
Profits	\$ 622,212,545		\$ 614,497,421	\$ 7,715,124	1.3%	\$ 596,782,272	\$ 25,430,273	4.3%

Sales Highlights

Sales in February exceeded prior year February sales by more than \$8.1M. The trend of slowing scratcher sales continued with a decrease in both year-over-year (-12.5%) and forecast (-12.5%) activity. However, due to strong sales of draw games and iLottery Instants throughout the fiscal year, overall year-to-date sales increased by over 15% and exceeded the budgeted forecast by 0.4%.

Profit Highlights

Although sales were up slightly, monthly profits lagged 21.2% behind prior year partly due to a higher prize expense for draw games. Draw game prize payouts can vary year over year. There was a Pick 5 draw in February 2026 with a high payout of \$8M and Pick 4/quads draw with a high payout of \$10M. Further, draw game prize expense generally hovers around 50%, compared to approximately 90% for iLottery Instants. As iLottery represents an increasing percentage of total sales, the blended prize expense rate rises, resulting in faster growth in overall prize expense. Lastly, the retailer earnings rate slightly increased in February but overall still falls below the budgeted forecast amounts for the year through February. Despite profits at 15.4% below forecast for the month, year-over-year profits remain ahead of forecast by 4.3% due to stronger performance earlier in the year.

Other Highlights

In its ongoing efforts to engage with players in new and exciting ways, the Lottery has launched a new draw game, Millionaire for Life. We recently established partnerships with the Washington Commanders and the Washington Capitals, offering some truly unique experiential prizes through an online raffle, and we are set to welcome three winners to Lottery HQ to spin the big wheel for a chance to win up to \$25,000.

We also are gearing up for the third year to support Global Volunteer Month in April. We will have employees across the Commonwealth volunteering for a variety of service opportunities including making blankets for cancer patients, stocking food pantries, beautifying community spaces,

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supporting the SPCA and volunteering for some public-school field days. Our Lottery Outreach program is just one way we focus on providing a well-rounded work environment which has contributed to our designation once again as a Top Workplace.

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 Bonnie Krenz-Schnurman, Chief of Staff, Office of the Governor
- The Honorable Mark D. Sickles, Secretary of Finance
- Michael Maul, Director, Department of Planning & Budget
- Sharon Lawrence, State Comptroller
- April Kees, Director, Senate Finance & Appropriations Committee
- Anne E. Oman, Staff Director, House Appropriations Committee
- Ferhan Hamid, Chairman, Virginia Lottery Board