



May 4, 2026

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

Re: March 2026 Lottery Results

Dear Governor Spanberger:

I am very pleased to provide our report of monthly activities and financial update for the month of March 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.

March Monthly Update:

	Monthly Actuals Mar FY26	% of Total	Monthly Actuals Mar FY25	Current Month FY26 vs FY25		Monthly Forecast Mar FY26	Current Month Actuals vs Forecast	
				\$ Change	% Change		\$ Change	% Change
Sales								
Scratchers	\$ 104,809,311	19.2%	\$ 105,470,316	\$ (661,005)	-0.6%	\$ 105,482,521	\$ (673,210)	-0.6%
Draw Games	\$ 95,330,669	17.4%	\$ 91,494,530	\$ 3,836,139	4.2%	\$ 100,270,399	\$ (4,939,730)	-4.9%
iLottery Instants	\$ 347,019,402	63.4%	\$ 329,354,543	\$ 17,664,859	5.4%	\$ 357,765,540	\$ (10,746,138)	-3.0%
Total	\$ 547,159,381	100.0%	\$ 526,319,389	\$ 20,839,993	4.0%	\$ 563,518,460	\$ (16,359,079)	-2.9%
Prize Expense				<u>FY26 Rates</u>	<u>FY25 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 78,033,644	17.6%	\$ 78,428,490	74.5%	74.4%	\$ 78,057,066	74.0%	
Draw Games	\$ 56,340,345	12.7%	\$ 49,973,529	59.1%	54.6%	\$ 54,788,190	54.6%	
iLottery Instants	\$ 309,669,904	69.7%	\$ 296,625,958	89.2%	90.1%	\$ 321,094,572	89.7%	
Total	\$ 444,043,894	100.0%	\$ 425,027,977	81.2%	80.8%	\$ 453,939,828	80.6%	
<u>Retailer Earnings</u>	\$ 10,468,515		\$ 10,781,035	5.6%	5.8%	\$ 11,300,154	5.7%	
<u>Admin Expenses</u>	\$ 20,933,122		\$ 18,197,315	3.8%	3.5%	\$ 23,808,481	4.2%	
<u>Other Income</u>	\$ 610,777		\$ 577,411			\$ 750,000		
Profits	\$ 72,324,630		\$ 72,890,472	\$ (565,842)	-0.8%	\$ 75,219,997	\$ (2,895,367)	-3.8%

Fiscal Year-to-Date Update:

	YTD FY26	% of Total	YTD FY25	Year to Date		Forecast FY26	Year to Date	
	Mar		Mar	FY26 vs FY25	FY25	YTD Mar	FY26 vs FY25	Forecast
Sales				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Scratchers	\$ 890,777,900	18.4%	\$ 961,963,350	\$ (71,185,450)	-7.4%	\$ 942,737,701	\$ (51,959,801)	-5.5%
Draw Games	\$ 957,270,801	19.8%	\$ 848,653,956	\$ 108,616,845	12.8%	\$ 934,984,924	\$ 22,285,877	2.4%
iLottery Instants	\$ 2,984,775,811	61.8%	\$ 2,436,138,519	\$ 548,637,292	22.5%	\$ 2,955,711,394	\$ 29,064,417	1.0%
Total	\$ 4,832,824,512	100.0%	\$ 4,246,755,825	\$ 586,068,687	13.8%	\$ 4,833,434,019	\$ (609,507)	0.0%
Prize Expense				<u>FY26 Rates</u>	<u>FY25 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 654,725,668	17.0%	\$ 706,651,094	73.5%	73.5%	\$ 696,521,063	73.9%	
Draw Games	\$ 540,529,537	14.0%	\$ 420,163,954	56.5%	49.5%	\$ 520,024,289	55.6%	
iLottery Instants	\$ 2,666,062,418	69.0%	\$ 2,178,806,989	89.3%	89.4%	\$ 2,637,330,648	89.2%	
Total	\$ 3,861,317,622	100.0%	\$ 3,305,622,038	79.9%	77.8%	\$ 3,853,876,000	79.7%	
<u>Retailer Earnings</u>	\$ 97,851,709		\$ 98,025,390	5.8%	5.7%	\$ 102,857,645	5.7%	
<u>Admin Expenses</u>	\$ 187,576,667		\$ 164,366,933	3.9%	3.9%	\$ 211,448,109	4.4%	
<u>Other Income</u>	\$ 8,458,662		\$ 8,646,427			\$ 6,750,000		
Profits	<u>\$ 694,537,175</u>		<u>\$ 687,387,893</u>	<u>\$ 7,149,282</u>	<u>1.0%</u>	<u>\$ 672,002,265</u>	<u>\$ 22,534,910</u>	<u>3.4%</u>

Sales Highlights

March sales exceeded prior year sales by 4%; but fell 2.9% short of forecast due to lower sales across all product offerings including scratchers, draw games, and iLottery. The trend of slowing scratch sales continued, and iLottery sales, while up compared to March '25, were lower than forecast for the month likely due to March Madness. That said, the program is up an incredible 23% over last year and on another record setting pace. Overall sales are up nearly 14% year-to-date and right on forecast through March, with only scratch revenue not meeting prior year actuals or the forecast. iLottery's 22.5% growth has been crucial for maintaining overall profit strength.

Profit Highlights

Although overall sales are slightly below forecast, profits for FY 2026 through March exceed \$694.5 million, which is \$22.5 million ahead of the forecast included in the proposed budget. The higher profitability is attributed to maintaining the forecasted prize expense rate, as well as record spending efficiency and other income from interest. Retailer compensation for the first three quarters is approaching \$100 million, with retailers continuing to earn nearly 6% of sales in commissions and incentives.

Other Highlights

Ahead of National Teacher Appreciation Week in May, we are sponsoring the Thank a Teacher campaign. Virginians can choose a printed or digital note, each featuring artwork from public school students, to thank a favorite public school educator. Teachers who receive a note can enter the unique code for a chance to win a \$2,500 cash prize and \$2,500 in supplies for their school. Now in our 11th year, we are on track to have distributed one million thank-you notes in total! We're proud to recognize deserving teachers through this program and to reinforce our ongoing support for Virginia's K-12 public schools, the beneficiary of 100% of Lottery profits. We hope the administration can join us for some of these surprise teacher celebrations.

Finally, I'm proud to share that, in addition to being named a Top Workplace by the Richmond Times-Dispatch, the Virginia Lottery was recently recognized as a National Top Workplace by USA Today. That announcement coincided with our 2026 Leadership Conference, "Winning with

May 4, 2026
Page Three

Purpose," where we convened managers from across the Commonwealth for an intensive two-day program focused on strengthening leadership. We don't just talk about our strong, employee-focused culture at the Lottery - we live it.

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 written in a cursive style with a large initial "K" and a long horizontal stroke at the end.

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