



ABIGAIL D. SPANBERGER, GOVERNOR | **KEVIN HALL**, EXECUTIVE DIRECTOR

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July 1, 2026

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

Re: May 2026 Lottery Results

Dear Governor Spanberger:

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

May Monthly Update:

	Monthly Actuals May FY26	% of Total	Monthly Actuals May FY25	Current Month FY26 vs FY25		Monthly Forecast May FY26	Current Month Actuals vs Forecast	
<u>Sales</u>				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Scratchers	\$ 96,191,724	18.5%	\$ 105,027,690	\$ (8,835,966)	-8.4%	\$ 105,027,775	\$ (8,836,051)	-8.4%
Draw Games	\$ 91,986,051	17.7%	\$ 88,716,232	\$ 3,269,819	3.7%	\$ 99,637,185	\$ (7,651,134)	-7.7%
iLottery Instant	\$ 331,010,625	63.8%	\$ 331,628,152	\$ (617,527)	-0.2%	\$ 363,372,408	\$ (32,361,783)	-8.9%
Total	\$ 519,188,399	100.0%	\$ 525,372,074	\$ (6,183,674)	-1.2%	\$ 568,037,368	\$ (48,848,969)	-8.6%
<u>Prize Expense</u>				<u>FY26 Rates</u>	<u>FY25 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 71,578,369	17.4%	\$ 78,037,415	74.4%	74.3%	\$ 77,720,554	74.0%	
Draw Games	\$ 44,979,205	10.9%	\$ 43,858,538	48.9%	49.4%	\$ 54,463,591	54.7%	
iLottery Instant	\$ 294,226,612	71.6%	\$ 296,730,961	88.9%	89.5%	\$ 326,126,736	89.7%	
Total	\$ 410,784,187	100.0%	\$ 418,626,914	79.1%	79.7%	\$ 458,310,881	80.7%	
<u>Retailer Earnings</u>	\$ 10,028,185		\$ 10,509,194	5.8%	5.8%	\$ 11,241,793	5.7%	
<u>Admin Expenses</u>	\$ 20,135,809		\$ 19,947,569	3.9%	3.8%	\$ 23,940,252	4.2%	
<u>Other Income</u>	\$ 378,715		\$ 497,535			\$ 750,000		
<u>Profits</u>	<u>\$ 78,618,934</u>		<u>\$ 76,785,933</u>	<u>\$ 1,833,001</u>	<u>2.4%</u>	<u>\$ 75,294,440</u>	<u>\$ 3,324,494</u>	<u>4.4%</u>

Fiscal Year-to-Date Update:

	YTD FY26 May	% of Total	YTD FY25 May	Year to Date FY26 vs FY25		Forecast FY26 YTD May	Year to Date FY26 vs FY25 Forecast	
Sales				<u>\$ Change</u>	<u>% Change</u>		<u>\$ Change</u>	<u>% Change</u>
Scratchers	\$ 1,085,371,402	18.5%	\$ 1,181,835,020	\$ (96,463,618)	-8.2%	\$ 1,151,704,211	\$ (66,332,809)	-5.8%
Draw Games	\$ 1,142,168,058	19.5%	\$ 1,022,952,377	\$ 119,215,681	11.7%	\$ 1,130,857,467	\$ 11,310,591	1.0%
iLottery Instant	\$ 3,639,337,420	62.0%	\$ 3,078,944,874	\$ 560,392,546	18.2%	\$ 3,659,900,754	\$ (20,563,334)	-0.6%
Total	\$ 5,866,876,880	100.0%	\$ 5,283,732,271	\$ 583,144,609	11.0%	\$ 5,942,462,432	\$ (75,585,552)	-1.3%
Prize Expense				<u>FY26 Rates</u>	<u>FY25 Rates</u>		<u>Forecast Rates</u>	
Scratchers	\$ 798,187,671	17.0%	\$ 868,773,710	73.5%	73.5%	\$ 851,156,280	73.9%	
Draw Games	\$ 639,796,960	13.6%	\$ 504,654,264	56.0%	49.3%	\$ 627,121,237	55.5%	
iLottery Instant	\$ 3,251,578,403	69.3%	\$ 2,752,348,378	89.3%	89.4%	\$ 3,269,340,598	89.3%	
Total	\$ 4,689,563,033	100.0%	\$ 4,125,776,353	79.9%	78.1%	\$ 4,747,618,115	79.9%	
Retailer Earnings	\$ 118,471,389		\$ 118,578,560	5.8%	5.7%	\$ 125,110,967	5.7%	
Admin Expenses	\$ 227,352,216		\$ 205,401,213	3.9%	3.9%	\$ 258,664,497	4.4%	
Other Income	\$ 9,328,852		\$ 9,666,477			\$ 8,250,000		
Profits	<u>\$ 840,819,094</u>		<u>\$ 843,642,619</u>	<u>\$ (2,823,525)</u>	<u>-0.3%</u>	<u>\$ 819,318,855</u>	<u>\$ 21,500,239</u>	<u>2.6%</u>

Sales Highlights

May sales were slightly below the prior year and 8.6% below forecast. Results came in lower than expected across all major product categories, including scratchers, draw games, and online iLottery.

Despite the May results, overall sales remain strong. Through May, total FYTD sales are up 11% compared to the same period last year and are only 1.3% below forecast. Draw game sales exceeded forecast expectations, while scratch ticket sales remain below prior year levels. Continued growth in online iLottery, which is up more than 18% year-to-date, has played an important role in sustaining the Lottery's overall sales and profit performance.

Profit Highlights

While overall sales are slightly below forecast, profits for FY 2026 through May exceeded \$840 million, placing us \$21.5 million ahead of the forecast included in the proposed budget. This strong performance reflects disciplined financial management and several favorable factors, including prize expense rates that remain consistent with forecast assumptions, higher than anticipated interest income, and continued restraint in administrative spending. Administrative expenses remained below 4% of revenue, well under the statutory cap of 10%, allowing more proceeds to be returned to support Virginia's public schools.

Other Highlights

As we approach the close of FY26, the Lottery's leadership team is evaluating the progress we've made this year and identifying strategic opportunities for FY27. Our annual strategic planning process will sharpen organizational focus and align priorities across three core areas: our workforce, our traditional lottery business, and our responsibilities as a gaming regulator.

In the coming year, we will set clear goals and objectives that support a diverse and evolving Lottery product portfolio and strengthen the value of our retailer partnerships. As we have for nearly 40 years, the Virginia Lottery remains committed to delivering a variety of games and experiences fairly, responsibly and securely while maximizing support for Virginia's K-12 schools.

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At the same time, we will continue building on the regulatory foundation established in 2020 for online sports wagering and casino gaming. We remain focused on carrying out our regulatory responsibilities with integrity, accountability, and a commitment to consumer protection.

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 "Kevin Hall". The signature is written in a cursive, flowing style.

Kevin Hall

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