

July 28, 2016

The Honorable Terence R. McAuliffe
Governor
Commonwealth of Virginia
Patrick Henry Building, 3rd floor
Richmond, Virginia 23219

Re: June 2016 Lottery Results

Dear Governor McAuliffe:

I am pleased to provide our report of monthly activities and financial update for the month of June 2016, as required in §58.1-4006 of the *Code of Virginia*.

June sales totaled \$161.9 million, up \$11.0 million (+7.3%) compared to the same month last year. For the 2016 fiscal year, total sales of \$2.0 billion set a new fiscal year record, and were \$163.0 million (+8.8%) stronger than last year. Net income for the month totaled \$41.1 million, a decrease of \$0.9 million (-2.1%) compared to last June. The decline in monthly profits is attributable to higher prize expenses this year compared to last June. A final audited report of fiscal year 2016 Lottery sales, prizes and profits will be available after the Auditor of Public Accounts completes their audit in August.

The Lottery transferred a total of \$538,955,547 during fiscal year 2016, as anticipated in Chapter 732, 2016 Acts of Assembly. As part of the 2016 mid-Session review, the Lottery Board recommended a \$20.3 million increase to the forecast for fiscal year 2016 Lottery profits. This additional revenue was included in the 2017 transfer estimate (Chapter 780, 2016 Acts of Assembly) of \$561,527,170.

Excess fiscal year 2016 profits, above the anticipated and budgeted \$20.3 million, will be determined after the audit is complete and will be forwarded as part of the revenue forecasting process.

Please let me know if you have any questions or if you would like more information.

Very truly yours,

Paula I. Otto

- c: The Honorable Thomas K. Norment, Jr., Co-Chairman, Senate Finance Committee
- The Honorable Emmett W. Hanger, Jr., Co-Chairman, Senate Finance Committee
- The Honorable S. Chris Jones, Chairman, House Appropriations Committee
- The Honorable R. Lee Ware, Jr., Chairman, House Finance Committee
- The Honorable Paul Reagan, Chief of Staff, Office of the Governor
- The Honorable Richard D. Brown, Secretary of Finance
- Daniel S. Timberlake, Director, Department of Planning & Budget
- David A. Von Moll, State Comptroller
- Elizabeth B. Daley, Staff Director, Senate Finance Committee
- Robert P. Vaughn, Staff Director, House Appropriations Committee
- Robert M. Howard, Chairman, Virginia Lottery Board