

July 28, 2017

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

Re: June 2017 Lottery Results

Dear Governor McAuliffe:

I am pleased to provide our report of monthly activities and financial update for the month of June 2017, as required in §58.1-4006 of the *Code of Virginia*.

June sales totaled \$171.8 million, up \$9.9 million (+6.1%) compared to the same month last year. Lottery sales for the fiscal year ending June 30 totaled \$1,989.9 million, a decline of \$17.0 million (-0.8%) compared to the previous year. As noted in our previous reports, prior year comparisons of sales and profits will be negative because of the record Powerball jackpot run to over \$1.5 billion December 2015 and January 2016, resulting in unusually high sales and profits for FY16.

The Lottery initiated its final transfer for the 2017 fiscal year on June 20, 2017, meeting the \$600.0 million for total transfers to the Lottery Proceeds Fund as expected and included in the 2017 Appropriation Act. The total transfers represent \$546.5 estimated profits from FY17, plus the residual FY16 profit transfer of \$53.5 million. The residual FY16 profit transfer was unusually high, from the historic Powerball jackpot sales and profits. The final residual transfer of FY2017 profits will occur after the Auditor of Public Accounts completes their review and certifies the Lottery profit total for the fiscal year, on or about August 15, 2017. This final residual transfer will be included in our revised profit transfer estimate for the 2018 fiscal year, to be included in the Governor's introduced budget amendments in December.

In addition to the Lottery Proceeds Fund transfers, the Lottery made debt setoff collection payments to the Department of Taxation totaling \$2,153,251 for the 2017 fiscal year. Also, unclaimed prizes totaling \$12,298,497 were transferred to the Literary Fund for the same period.

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
Fred P. Helm, Chairman, Virginia Lottery Board