



VIRGINIA LOTTERY POWERBALL

REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PERIOD APRIL 2018 THROUGH MARCH 2019

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Members of the Virginia Lottery Board
600 East Main Street
Richmond, Virginia

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Virginia Lottery and the other member lotteries in states of California, Georgia, Illinois, Massachusetts, Maryland, Michigan, New Jersey, New York, Ohio, and Washington (referred to as the "Member Lotteries"), which operate **Powerball**, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Powerball: Virginia Lottery's sales and prize expense for the period April 2018 through March 2019, and the Virginia Lottery's receivable or payable as of March 2019. Virginia Lottery is responsible for its records of the financial information associated with Powerball. The sufficiency of the procedures is solely the responsibility of the Virginia Lottery and Member Lotteries. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are as follows:

- A. We obtained from the Virginia Lottery the "Draw Activity" and the "Fixed Prize Analysis" reports for the period April 2018 through March 2019, and attached those as Exhibit I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Powerball drawings from the period April 2018 through March 2019 for testing as indicated in "C," "D," and "E" below.

May 23, 2018
June 27, 2018
September 8, 2018

January 9, 2019
March 13, 2019

- C. For each drawing selected in step “B” above, we compared the total amount of sales as shown on the daily sales report produced by the Virginia Lottery’s gaming system and the total amount of sales shown on the related daily sales report produced by the Internal Control System (ICS) with the balance listed in the “Sales” column for the respective drawing on the “Draw Activity” report attached as Exhibit I and found them to be in agreement.
- D. We calculated the total dollar amount of the fixed prizes for the drawings selected in step “B” above, based on the total number of winners from the Virginia Lottery’s gaming system for each prize level and the prize structure of Powerball’s fixed prizes (as defined in the official game rules). We compared the calculated expense with the amount listed in the “Actual Fixed Prizes” column for the respective drawing on the “Draw Activity” report attached as Exhibit I and found them to be in agreement.
- E. For each drawing selected in step “B” above, we compared the amount of sales, actual fixed prizes, and share of fixed prizes shown on the “Draw Activity” report attached as Exhibit I to the amounts shown on the applicable Powerball Prize Settlement Reports and found them to be in agreement.
- F. For the period identified in step “B” above, we randomly selected two months and obtained the “Expired Prize Settlement Report” distributed by the Virginia Lottery. For the two months selected, we obtained the actual fixed prizes awarded from the Virginia Lottery ICS and the prizes unclaimed from Virginia Lottery’s financial accounting records. We compared this data back to the data reported from the Virginia Lottery for each draw of the subject months and found them to be in agreement.
- G. We compared the amount shown as the total of the actual fixed prizes and the total of the share of fixed prizes on the “Draw Activity” report attached as Exhibit I to the applicable amounts shown on the “Fixed Prize Analysis” report attached as Exhibit II and found them to be in agreement.
- H. We reviewed the “Cash Options Amount” column of the “Draw Activity” report attached as Exhibit I and found no amounts listed; therefore, no work was performed.
- I. There were no purchases of investments associated with jackpot prizes and; therefore, no work was performed.
- J. We compared the total of the quarterly transfers to/from the Virginia Lottery for settlement of the fixed prize liability as shown in the Virginia Lottery’s cash disbursement subsidiary records to the amount listed in the “Qtrly/Yrly Settlements Transfers In/(Out)” column on the “Fixed Prize Analysis” report attached as Exhibit II and found them to be in agreement.

- K. We compared the balance listed as the Virginia Lottery’s payable as of March 2019 for the fixed prizes as shown on the “Fixed Prize Analysis” report attached as Exhibit II to the Virginia Lottery’s financial accounting records and to the Powerball Prize Settlement Report as of March 2019 and found them to be in agreement.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. These agreed-upon procedures do not constitute an audit of financial statements or any part thereof, the objective of which is the expression of an opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Virginia Lottery and Member Lotteries as specified above and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

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**Powerball
Virginia Lottery Draw Activity
From April 2018 through March 2019**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/4/2018	\$ 636,020	\$ 52,004	\$ 150,764	\$ -	\$ -
	4/7/2018	761,342	113,077	89,585	-	-
	4/11/2018	674,756	57,648	61,225	-	-
	4/14/2018	825,632	70,600	100,214	-	-
	4/18/2018	753,418	80,646	295,999	-	-
	4/21/2018	869,948	74,552	98,087	-	-
	4/25/2018	791,338	122,986	101,603	-	-
	4/28/2018	897,784	79,542	178,356	-	-
	5/2/2018	830,622	1,076,306	176,472	-	-
	5/5/2018	983,656	87,039	98,693	-	-
	5/9/2018	956,484	83,055	190,319	-	-
	5/12/2018	1,075,488	144,598	116,602	-	-
	5/16/2018	1,007,868	139,284	128,238	-	-
NJ	5/19/2018	1,231,098	164,003	261,031	-	-
	5/23/2018	589,520	60,579	71,161	-	-
	5/26/2018	671,360	55,712	66,274	-	-
	5/30/2018	575,042	47,082	59,988	-	-
	6/2/2018	707,790	72,931	75,330	-	-
	6/6/2018	624,974	53,123	62,066	-	-
	6/9/2018	744,340	118,442	100,007	-	-
	6/13/2018	690,354	57,826	73,964	-	-
	6/16/2018	793,300	74,115	174,814	-	-
PB	6/20/2018	700,562	71,507	88,706	-	-
	6/23/2018	631,194	53,811	61,463	-	-
	6/27/2018	545,376	95,776	63,519	-	-
	6/30/2018	644,854	103,157	67,671	-	-
	7/4/2018	561,828	54,448	78,085	-	-
	7/7/2018	657,830	52,875	63,319	-	-
	7/11/2018	612,598	117,370	92,241	-	-
	7/14/2018	781,392	76,081	152,347	-	-
	7/18/2018	718,562	123,163	111,318	-	-
	7/21/2018	908,376	75,534	104,781	-	-
	7/25/2018	959,682	131,103	102,835	-	-
	7/28/2018	865,130	133,484	110,063	-	-
	8/1/2018	832,528	71,146	76,690	-	-
	8/4/2018	994,086	87,978	110,476	-	-
	8/8/2018	976,664	86,881	112,177	-	-

**Powerball
Virginia Lottery Draw Activity
From April 2018 through March 2019**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
NY	8/11/2018	1,094,518	90,615	192,949	-	-
	8/15/2018	565,278	95,380	141,926	-	-
	8/18/2018	644,296	51,198	65,443	-	-
	8/22/2018	558,240	55,255	75,002	-	-
	8/25/2018	649,222	59,198	77,059	-	-
	8/29/2018	561,280	52,773	62,165	-	-
	9/1/2018	669,206	62,674	163,286	-	-
	9/5/2018	610,140	58,658	70,013	-	-
	9/8/2018	715,404	62,876	83,692	-	-
	9/12/2018	671,152	55,921	71,694	-	-
	9/15/2018	733,852	73,971	97,630	-	-
	9/19/2018	653,914	112,062	74,174	-	-
	9/22/2018	776,650	64,708	84,415	-	-
	9/26/2018	735,942	74,113	170,986	-	-
	9/29/2018	917,870	124,715	174,261	-	-
	10/3/2018	881,242	132,517	162,815	-	-
	10/6/2018	1,105,474	196,045	211,929	-	-
	10/10/2018	1,175,656	120,440	207,193	-	-
	10/13/2018	1,622,752	239,431	274,408	-	-
	10/17/2018	2,848,232	241,517	469,913	-	-
	10/20/2018	4,600,216	591,197	730,725	-	-
	10/24/2018	6,206,370	624,230	802,185	-	-
NY/PB	10/27/2018	4,435,522	531,598	1,054,597	-	-
	10/31/2018	770,116	62,185	76,850	-	-
	11/3/2018	825,912	130,869	86,103	-	-
	11/7/2018	694,486	107,565	87,665	-	-
	11/10/2018	766,558	113,297	80,564	-	-
	11/14/2018	710,214	109,501	71,950	-	-
	11/17/2018	778,538	76,735	100,142	-	-
	11/21/2018	780,678	118,166	95,103	-	-
	11/24/2018	702,474	60,203	79,430	-	-
	11/28/2018	719,178	59,947	158,582	-	-
	12/1/2018	820,396	69,973	106,292	-	-
	12/5/2018	769,390	75,230	95,552	-	-
	12/8/2018	865,808	79,324	90,492	-	-
	12/12/2018	733,926	63,061	149,355	-	-
	12/15/2018	862,508	75,865	83,803	-	-

**Powerball
Virginia Lottery Draw Activity
From April 2018 through March 2019**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/19/2018	816,266	116,853	247,771	-	-
	12/22/2018	956,950	130,974	119,905	-	-
NY	12/26/2018	1,091,822	141,505	199,383	-	-
	12/29/2018	770,656	2,066,244	244,218	-	-
	1/2/2019	735,834	69,792	80,278	-	-
	1/5/2019	697,966	1,065,836	193,884	-	-
	1/9/2019	642,980	53,464	66,145	-	-
	1/12/2019	784,448	64,931	177,069	-	-
	1/16/2019	668,144	54,917	67,991	-	-
	1/19/2019	822,556	65,954	168,043	-	-
	1/23/2019	711,430	60,251	72,593	-	-
	1/26/2019	826,700	132,698	104,228	-	-
	1/30/2019	738,628	70,246	96,636	-	-
	2/2/2019	871,842	84,528	114,408	-	-
	2/6/2019	821,984	70,788	86,154	-	-
	2/9/2019	921,762	191,886	240,481	-	-
	2/13/2019	849,034	74,686	106,911	-	-
	2/16/2019	964,324	1,079,875	256,835	-	-
	2/20/2019	830,800	71,953	179,231	-	-
	2/23/2019	1,063,766	156,538	157,581	-	-
	2/27/2019	1,025,474	85,723	175,310	-	-
	3/2/2019	1,227,188	157,180	203,748	-	-
	3/6/2019	1,206,600	203,561	153,962	-	-
	3/9/2019	1,565,436	135,397	241,299	-	-
	3/13/2019	1,703,640	195,997	314,881	-	-
	3/16/2019	2,045,618	196,747	290,823	-	-
	3/20/2019	3,158,268	374,352	395,285	-	-
	3/23/2019	4,208,592	537,399	702,255	-	-
PB	3/27/2019	6,373,734	636,100	875,545	-	-
	3/30/2019	774,290	71,046	78,343	-	-
Total		\$113,192,138	\$17,609,898	\$17,418,022	\$ -	\$ -

Powerball
Virginia Lottery Fixed Prize Analysis
From April 2018 through March 2019

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Georgia	\$ 258,654	\$ 22,124,223	\$ 21,267,834	\$ 1,402,400	\$ (287,357)
Illinois	(210,726)	23,434,945	22,480,560	(115,952)	859,611
Massachusetts	337,115	16,244,654	19,317,026	(1,039,069)	(1,696,188)
Maryland	(1,628,659)	15,912,839	16,252,859	(2,925,040)	956,361
Michigan	(1,743,158)	23,061,728	21,496,999	989,812	(1,168,241)
New Jersey	1,673,342	37,838,657	34,201,988	3,332,163	1,977,848
New York	1,509,117	56,319,837	58,040,885	(809,669)	597,738
Ohio	(428,108)	16,787,587	19,899,637	(3,115,239)	(424,919)
Virginia	(608,483)	17,609,898	17,418,022	(157,049)	(259,558)
Washington	840,906	11,007,433	9,965,991	2,437,643	(555,295)
Total	\$ -	\$240,341,801	\$ 240,341,801	\$ -	\$ -