



VIRGINIA LOTTERY  
MEGA MILLIONS

REPORT ON APPLYING  
AGREED-UPON PROCEDURES  
FOR THE PERIOD  
APRIL 2015 THROUGH MARCH 2016

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# Commonwealth of Virginia

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June 10, 2016

Members of the Virginia Lottery Board  
900 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 the states of California, Georgia, Illinois, Massachusetts, Michigan, New Jersey, New York, Ohio, and Washington (referred to as the "Member Lotteries"), which operate **Mega Millions**, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Mega Millions: Virginia Lottery's sales and prize expense for the period April 2015 through March 2016, and the Virginia Lottery's receivable or payable as of March 2016. Virginia Lottery is responsible for its records of the financial information associated with Mega Millions. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 2015 through March 2016, and attached those as Exhibits I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Mega Millions drawings from the period April 2015 through March 2016 for testing as indicated in "C," "D," and "E" below.

May 15, 2015  
August 4, 2015  
November 3, 2015

July 3, 2015  
September 15, 2015

- 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 week 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 Mega Millions’ 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 Mega Millions 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 investments purchased 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 2016 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 Mega Millions Prize Settlement Report as of March 2016 and found them to be in agreement.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified financial information associated with Mega Millions. 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 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

AC/alh

**Mega Millions**  
**Virginia Lottery Draw Activity**  
**From April 2015 through March 2016**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/3/2015	\$ 648,793	\$ 64,246	\$ 159,817	\$ -	\$ -
	4/7/2015	600,265	69,166	77,853	-	-
	4/10/2015	651,188	72,094	78,399	-	-
	4/14/2015	618,643	73,426	74,871	-	-
	4/17/2015	689,702	99,810	175,836	-	-
	4/21/2015	659,586	1,076,798	253,208	-	-
	4/24/2015	738,770	84,551	86,218	-	-
	4/28/2015	704,436	81,438	83,521	-	-
	5/1/2015	823,305	97,216	181,313	-	-
	5/5/2015	808,777	104,219	104,613	-	-
	5/8/2015	891,807	114,975	190,954	-	-
	5/12/2015	869,110	100,256	180,573	-	-
	5/15/2015	963,415	122,967	198,869	-	-
	5/19/2015	968,101	126,645	198,419	-	-
	5/22/2015	1,111,864	144,178	291,748	-	-
	5/26/2015	1,105,932	128,130	201,232	-	-
	5/29/2015	1,339,510	139,078	223,640	-	-
IL	6/2/2015	1,404,421	3,236,187	780,814	-	-
	6/5/2015	638,877	83,633	82,112	-	-
	6/9/2015	585,540	105,703	92,727	-	-
	6/12/2015	635,858	2,064,996	243,605	-	-
	6/16/2015	602,541	81,374	71,699	-	-
	6/19/2015	663,510	86,418	93,523	-	-
	6/23/2015	629,459	65,842	71,143	-	-
	6/26/2015	698,859	1,080,603	173,050	-	-
	6/30/2015	681,104	91,682	86,320	-	-
	7/3/2015	764,915	80,330	86,031	-	-
	7/7/2015	747,276	85,986	90,950	-	-
	7/10/2015	858,280	97,778	189,912	-	-
	7/14/2015	868,764	101,875	268,251	-	-
	7/17/2015	930,639	124,482	118,651	-	-
PB	7/21/2015	930,127	91,805	178,177	-	-
	7/24/2015	604,979	73,174	73,438	-	-
	7/28/2015	559,179	71,630	67,031	-	-
PB	7/31/2015	625,723	69,359	164,051	-	-
	8/4/2015	556,289	63,142	72,701	-	-

**Mega Millions**  
**Virginia Lottery Draw Activity**  
**From April 2015 through March 2016**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/7/2015	600,757	62,928	157,054	-	-
	8/11/2015	565,188	72,072	67,100	-	-
	8/14/2015	620,970	81,894	75,978	-	-
	8/18/2015	589,089	71,975	164,355	-	-
	8/21/2015	639,897	72,509	70,111	-	-
	8/25/2015	611,158	58,477	64,260	-	-
	8/28/2015	668,994	73,087	75,906	-	-
	9/1/2015	655,732	79,465	81,637	-	-
	9/4/2015	719,031	91,233	170,551	-	-
	9/8/2015	643,091	88,361	173,118	-	-
NY	9/11/2015	790,538	89,772	170,494	-	-
	9/15/2015	535,741	68,731	69,760	-	-
	9/18/2015	584,714	78,785	163,823	-	-
	9/22/2015	547,473	62,874	66,883	-	-
	9/25/2015	615,965	72,292	158,572	-	-
	9/29/2015	572,744	67,218	151,614	-	-
	10/2/2015	648,940	79,273	257,614	-	-
	10/6/2015	601,599	63,145	69,576	-	-
	10/9/2015	668,299	74,498	251,313	-	-
	10/13/2015	634,774	81,411	78,808	-	-
	10/16/2015	704,771	81,399	78,190	-	-
	10/20/2015	681,755	79,593	84,032	-	-
	10/23/2015	792,204	84,377	87,776	-	-
	10/27/2015	772,086	91,602	93,895	-	-
	10/30/2015	845,075	98,180	98,826	-	-
	11/3/2015	856,400	98,249	97,928	-	-
	11/6/2015	923,314	100,040	107,493	-	-
	11/10/2015	930,089	112,911	113,145	-	-
OH	11/13/2015	1,211,860	148,503	216,861	-	-
	11/17/2015	542,386	71,493	162,478	-	-
	11/20/2015	592,128	74,337	75,743	-	-
	11/24/2015	557,231	75,895	68,759	-	-
	11/27/2015	539,410	55,689	150,499	-	-
	12/1/2015	577,991	80,040	160,260	-	-
	12/4/2015	663,234	79,078	257,895	-	-
	12/8/2015	616,677	72,729	166,582	-	-

**Mega Millions**  
**Virginia Lottery Draw Activity**  
**From April 2015 through March 2016**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/11/2015	663,543	81,877	164,958	-	-
	12/15/2015	637,887	77,417	161,681	-	-
	12/18/2015	687,567	106,205	95,248	-	-
	12/22/2015	712,832	84,701	173,538	-	-
	12/25/2015	716,316	80,055	83,259	-	-
	12/29/2015	816,198	102,954	184,886	-	-
	1/1/2016	901,762	114,235	118,948	-	-
	1/5/2016	1,106,701	126,392	293,344	-	-
NY	1/8/2016	1,510,641	170,487	170,521	-	-
	1/12/2016	967,006	126,130	130,512	-	-
	1/15/2016	833,357	89,045	93,341	-	-
	1/19/2016	600,192	80,322	269,177	-	-
	1/22/2016	580,827	66,751	68,629	-	-
	1/26/2016	467,819	1,052,493	128,991	-	-
	1/29/2016	626,988	77,417	80,123	-	-
	2/2/2016	610,784	74,612	76,825	-	-
	2/5/2016	651,022	76,880	75,092	-	-
	2/9/2016	613,421	69,990	69,140	-	-
	2/12/2016	655,067	71,473	69,981	-	-
	2/16/2016	560,398	64,700	148,020	-	-
	2/19/2016	709,531	92,503	82,065	-	-
	2/23/2016	677,654	87,685	78,855	-	-
	2/26/2016	717,422	91,156	82,258	-	-
	3/1/2016	708,357	81,161	166,255	-	-
	3/4/2016	769,881	88,220	167,089	-	-
WA	3/8/2016	752,725	90,100	166,379	-	-
	3/11/2016	552,035	61,787	65,651	-	-
	3/15/2016	516,611	68,558	156,588	-	-
	3/18/2016	557,397	65,818	65,384	-	-
	3/22/2016	520,739	68,047	63,660	-	-
	3/25/2016	559,658	72,259	73,392	-	-
	3/29/2016	525,082	60,238	62,973	-	-
<b>Total</b>		<b>\$74,988,269</b>	<b>\$17,070,975</b>	<b>\$14,210,922</b>	<b>\$ -</b>	<b>\$ -</b>

**Mega Millions**  
**Virginia Lottery Fixed Prize Analysis**  
**From April 2015 through March 2016**

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/Out	Receivable (Payable)
Georgia	\$(1,576,730)	\$ 13,615,787	\$ 16,331,675	\$(3,808,241)	\$ (484,377)
Illinois	9,863	15,376,197	16,484,440	(2,761,621)	1,663,241
Massachusetts	155,098	10,186,833	11,350,684	(54,031)	(954,722)
Michigan	(1,306,424)	20,947,093	18,543,640	(229,777)	1,326,806
New Jersey	1,321,444	23,410,788	24,351,534	2,464,908	(2,084,210)
New York	2,598,629	44,430,810	46,310,147	(233,909)	953,201
Ohio	(654,990)	17,322,782	16,316,075	(115,262)	466,979
Virginia	(1,088,231)	17,070,975	14,210,922	2,030,770	(258,948)
Washington	541,341	8,236,077	6,698,225	2,707,163	(627,970)
<b>Total</b>	<b>\$ -</b>	<b>\$170,597,342</b>	<b>\$170,597,342</b>	<b>\$ -</b>	<b>\$ -</b>