



# VIRGINIA LOTTERY MEGAPLIER

## REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PERIOD

APRIL 1, 2019 THROUGH MARCH 31, 2020

Auditor of Public Accounts  
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# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
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June 29, 2020

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 the states of Georgia, Illinois, Massachusetts, Maryland, Michigan, New Jersey, New York, Ohio, and Washington (referred to as the "Member Lotteries"), which operate **Megaplier**, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Megaplier: Virginia Lottery's sales and prize expense for the period April 1, 2019, through March 31, 2020, and the Virginia Lottery's payable as of March 31, 2020. Virginia Lottery is responsible for its records of the financial information associated with Megaplier. 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 1, 2019, through March 31, 2020, and attached those as Exhibit I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Megaplier drawings from the period April 1, 2019, through March 31, 2020 for testing as indicated in "C," "D," and "E" below.

April 26, 2019  
July 26, 2019  
October 18, 2019

January 21, 2020  
February 25, 2020

- 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 Virginia Lottery 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 Megaplier’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 Megaplier Prize Settlement Reports and found them to be in agreement.
- F. For the period identified, we randomly selected two months and obtained the “Expired Prize Settlement Report” distributed by the Virginia Lottery. For the two months selected, we obtained from the ICS the actual fixed prizes awarded and the prizes unclaimed. We compared the ICS data back to the data reported from the Virginia Lottery for each draw of the subject months to ensure they were in agreement.

As part of these procedures, an unclaimed prize in the amount of \$4 was observed in the ICS that was not present on the “Expired Prize Settlement Report;” therefore, it could not be agreed.

- 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 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.
- I. We compared the balance listed as the Virginia Lottery’s payable as of March 31, 2020, 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 Megaplier Prize Settlement Report as of March 31, 2020, and found them to be in agreement.

This agreed-upon procedures engagement was conducted 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.

Martha S. Mavredes  
AUDITOR OF PUBLIC ACCOUNTS

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**Megaplier  
Virginia Lottery Draw Activity  
From April 2019 through March 2020**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
4/2/2019	\$ 79,900	\$ 21,560	\$ 24,175	\$ -	\$ -
4/5/2019	87,800	11,528	133,681	-	-
4/9/2019	84,097	14,546	16,073	-	-
4/12/2019	88,301	15,416	18,372	-	-
4/16/2019	84,834	13,228	14,677	-	-
4/19/2019	89,303	34,146	36,218	-	-
4/23/2019	87,018	47,472	48,430	-	-
4/26/2019	95,223	88,404	66,036	-	-
4/30/2019	95,411	26,508	24,438	-	-
5/3/2019	101,560	18,262	19,755	-	-
5/7/2019	97,818	29,136	26,592	-	-
5/10/2019	101,977	14,102	16,219	-	-
5/14/2019	103,967	39,078	43,834	-	-
5/17/2019	109,763	39,936	41,345	-	-
5/21/2019	110,113	69,296	72,685	-	-
5/24/2019	116,953	39,526	130,187	-	-
5/28/2019	118,865	1,027,022	127,677	-	-
5/31/2019	154,245	53,220	52,923	-	-
6/4/2019	160,204	24,866	25,943	-	-
6/7/2019	196,143	84,380	65,180	-	-
6/11/2019	75,301	22,468	279,350	-	-
6/14/2019	78,343	11,674	14,389	-	-
6/18/2019	72,708	10,364	12,201	-	-
6/21/2019	75,563	19,532	19,785	-	-
6/25/2019	70,922	17,628	21,941	-	-
6/28/2019	77,655	11,934	11,486	-	-
7/2/2019	75,920	12,346	12,999	-	-
7/5/2019	76,233	11,816	11,474	-	-
7/9/2019	76,520	10,250	157,536	-	-
7/12/2019	81,178	17,264	15,121	-	-
7/16/2019	80,871	23,028	23,053	-	-
7/19/2019	86,198	26,432	26,250	-	-
7/23/2019	81,625	23,814	16,629	-	-
7/26/2019	68,967	27,508	28,316	-	-
7/30/2019	64,593	23,048	23,769	-	-
8/2/2019	72,398	12,246	10,844	-	-
8/6/2019	66,237	7,998	8,993	-	-
8/9/2019	69,765	8,796	9,421	-	-
8/13/2019	66,182	27,752	24,601	-	-

**Megaplier  
Virginia Lottery Draw Activity  
From April 2019 through March 2020**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
8/16/2019	69,777	12,006	13,403	-	-
8/20/2019	66,394	22,348	24,272	-	-
8/23/2019	72,959	8,608	12,638	-	-
8/27/2019	73,531	13,846	14,415	-	-
8/30/2019	82,362	47,772	52,401	-	-
9/3/2019	77,194	12,812	13,116	-	-
9/6/2019	83,311	70,440	59,420	-	-
9/10/2019	83,595	12,406	10,900	-	-
9/13/2019	91,101	14,396	14,549	-	-
9/17/2019	86,001	39,162	37,258	-	-
9/20/2019	96,143	12,868	14,477	-	-
9/24/2019	95,738	50,490	55,199	-	-
9/27/2019	70,216	19,040	19,181	-	-
10/1/2019	66,909	12,260	13,378	-	-
10/4/2019	70,353	10,624	11,346	-	-
10/8/2019	65,409	25,912	28,783	-	-
10/11/2019	68,906	25,500	24,085	-	-
10/15/2019	65,865	10,280	10,429	-	-
10/18/2019	70,303	17,020	309,468	-	-
10/22/2019	66,412	79,944	71,450	-	-
10/25/2019	72,655	23,032	26,240	-	-
10/29/2019	70,107	11,944	16,835	-	-
11/1/2019	78,419	11,178	12,110	-	-
11/5/2019	77,866	22,740	26,964	-	-
11/8/2019	82,211	25,724	28,256	-	-
11/12/2019	79,402	10,648	10,779	-	-
11/15/2019	86,683	11,372	13,137	-	-
11/19/2019	85,322	46,788	25,883	-	-
11/22/2019	94,998	43,506	44,994	-	-
11/26/2019	96,478	15,500	18,621	-	-
11/29/2019	96,703	17,924	17,652	-	-
12/3/2019	103,568	14,858	14,500	-	-
12/6/2019	105,579	55,368	57,223	-	-
12/10/2019	115,064	15,900	16,314	-	-
12/13/2019	127,028	57,856	40,643	-	-
12/17/2019	130,364	26,510	20,280	-	-
12/20/2019	69,355	17,248	18,396	-	-
12/24/2019	77,516	11,318	12,074	-	-
12/27/2019	67,380	22,698	24,905	-	-

**Megaplier  
Virginia Lottery Draw Activity  
From April 2019 through March 2020**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
12/31/2019	82,159	24,644	26,122	-	-
1/3/2020	70,960	8,832	10,609	-	-
1/7/2020	64,164	28,218	30,247	-	-
1/10/2020	72,130	11,602	10,459	-	-
1/14/2020	69,321	13,328	16,243	-	-
1/17/2020	79,172	24,780	26,000	-	-
1/21/2020	73,440	22,084	31,166	-	-
1/24/2020	82,143	41,898	44,365	-	-
1/28/2020	81,383	22,136	21,852	-	-
1/31/2020	89,623	10,836	12,252	-	-
2/4/2020	87,682	13,422	13,930	-	-
2/7/2020	88,328	31,668	30,834	-	-
2/11/2020	91,499	14,292	14,229	-	-
2/14/2020	69,757	42,152	45,116	-	-
2/18/2020	64,688	20,104	20,620	-	-
2/21/2020	68,935	35,622	39,207	-	-
2/25/2020	66,050	10,168	11,845	-	-
2/28/2020	73,030	10,282	10,192	-	-
3/3/2020	70,218	11,860	10,360	-	-
3/6/2020	71,749	32,328	37,317	-	-
3/10/2020	67,236	81,296	50,575	-	-
3/13/2020	71,918	31,950	31,388	-	-
3/17/2020	64,507	16,128	17,685	-	-
3/20/2020	65,452	29,130	35,082	-	-
3/24/2020	61,841	13,730	14,543	-	-
3/27/2020	63,870	30,402	33,504	-	-
3/31/2020	59,964	26,130	26,664		
<b>Total</b>	<b>\$8,791,070</b>	<b>\$3,676,398</b>	<b>\$3,660,978</b>	<b>\$ -</b>	<b>\$ -</b>

**Megaplier**  
**Virginia Lottery Fixed Prize Analysis**  
**From April 2019 through March 2020**

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Georgia	\$ 1,209,170	\$ 1,830,760	\$ 2,427,491	\$ 820,863	\$(208,424)
Illinois	(1,128,351)	5,759,210	3,783,251	(753,727)	1,601,335
Massachusetts	1,456,531	1,323,424	1,871,277	1,140,656	(231,978)
Maryland	(530,711)	1,512,952	2,100,267	(832,796)	(285,230)
Michigan	144,081	4,040,812	2,828,413	1,668,226	(311,746)
New Jersey	(909,689)	3,465,976	3,488,980	(1,467,514)	534,821
New York	(337,892)	2,095,770	1,932,776	(174,898)	-
Ohio	657,222	3,177,680	4,365,554	(71,259)	(459,393)
Virginia	(1,138,572)	3,676,398	3,660,978	(696,932)	(426,220)
Washington	578,211	1,021,664	1,445,659	367,381	(213,165)
<b>Total</b>	<b>\$ -</b>	<b>\$27,904,646</b>	<b>\$27,904,646</b>	<b>\$ -</b>	<b>\$ -</b>