



VIRGINIA LOTTERY  
MEGA MILLIONS

REPORT ON APPLYING  
AGREED-UPON PROCEDURES  
FOR THE PERIOD  
APRIL 2017 THROUGH MARCH 2018

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# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
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May 31, 2018

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 California, Georgia, Illinois, Massachusetts, Maryland, 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 2017 through March 2018, and the Virginia Lottery's receivable or payable as of March 2018. Virginia Lottery is responsible for its records of the financial information associated with Mega Millions. 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 2017 through March 2018, 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 2017 through March 2018 for testing as indicated in "C," "D," and "E" below.

May 5, 2017  
June 6, 2017  
November 17, 2017

February 2, 2018  
March 9, 2018

- 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 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 2018 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 2018 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 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

AVC/clj

**Mega Millions**  
**Virginia Lottery Draw Activity**  
**From April 2017 through March 2018**

Exhibit I

State	Draw Date	Sales	Just the Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/04/2017	\$ 526,509	\$ -	\$ 60,777	\$ 66,025	\$ -	\$ -
	4/07/2017	558,619	-	68,902	68,232	-	-
	4/11/2017	518,417	-	55,070	63,610	-	-
	4/14/2017	565,237	-	77,552	151,348	-	-
	4/18/2017	534,468	-	60,648	149,560	-	-
	4/21/2017	585,516	-	72,618	74,796	-	-
	4/25/2017	560,549	-	62,941	154,609	-	-
CA	4/28/2017	611,039	-	107,197	175,757	-	-
	5/02/2017	500,821	-	1,046,893	138,580	-	-
	5/05/2017	546,370	-	70,175	161,743	-	-
	5/09/2017	517,657	-	1,062,065	144,381	-	-
	5/12/2017	552,467	-	66,663	64,594	-	-
	5/16/2017	528,507	-	60,303	61,167	-	-
	5/19/2017	565,300	-	1,095,406	425,389	-	-
	5/23/2017	541,303	-	65,587	65,723	-	-
	5/26/2017	599,637	-	72,829	240,401	-	-
	5/30/2017	538,325	-	68,400	65,890	-	-
	6/02/2017	655,787	-	77,339	76,411	-	-
	6/06/2017	634,507	-	82,419	78,691	-	-
	6/09/2017	711,509	-	86,528	97,615	-	-
	6/13/2017	741,883	-	84,250	85,780	-	-
	6/16/2017	767,197	-	98,363	259,932	-	-
	6/20/2017	757,097	-	94,039	168,294	-	-
	6/23/2017	799,540	-	86,187	170,611	-	-
	6/27/2017	766,421	-	90,199	244,257	-	-
	6/30/2017	840,769	-	103,389	96,461	-	-
	7/04/2017	755,156	-	83,334	267,943	-	-
	7/07/2017	861,826	-	120,798	118,326	-	-
	7/11/2017	907,132	-	118,334	110,464	-	-
	7/14/2017	945,532	-	99,806	184,656	-	-
	7/18/2017	970,296	-	113,678	191,060	-	-
	7/21/2017	1,017,860	-	1,118,022	349,394	-	-
	7/25/2017	1,010,584	-	123,803	118,064	-	-
	7/28/2017	1,073,554	-	127,332	128,316	-	-
	8/01/2017	1,215,005	-	1,157,216	437,172	-	-
	8/04/2017	1,437,695	-	169,649	244,893	-	-
	8/08/2017	1,866,643	-	199,541	363,011	-	-
IL	8/11/2017	2,570,797	-	303,766	447,475	-	-
	8/15/2017	668,765	-	82,160	87,497	-	-
	8/18/2017	742,034	-	88,564	85,584	-	-
	8/22/2017	751,090	-	106,487	96,150	-	-

**Mega Millions**  
**Virginia Lottery Draw Activity**  
**From April 2017 through March 2018**

Exhibit I

State	Draw Date	Sales	Just the Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/25/2017	764,668	-	83,925	90,323	-	-
	8/29/2017	610,472	-	69,957	74,178	-	-
	9/01/2017	674,150	-	81,250	79,316	-	-
	9/05/2017	590,900	-	1,070,011	151,149	-	-
	9/08/2017	663,923	-	82,003	80,455	-	-
	9/12/2017	617,607	-	67,816	69,867	-	-
	9/15/2017	661,807	-	75,525	161,760	-	-
	9/19/2017	639,618	-	74,333	78,716	-	-
NY	9/22/2017	722,267	-	77,936	248,295	-	-
	9/26/2017	516,425	-	1,058,643	148,812	-	-
	9/29/2017	568,708	-	67,256	69,091	-	-
	10/03/2017	537,409	-	136,065	83,569	-	-
	10/06/2017	578,396	-	63,413	66,636	-	-
	10/10/2017	531,027	-	58,430	61,043	-	-
MI/PB	10/13/2017	583,060	-	87,272	178,084	-	-
	10/17/2017	481,855	-	52,709	53,861	-	-
	10/20/2017	521,437	-	63,677	58,873	-	-
	10/24/2017	492,022	-	52,859	56,125	-	-
	10/27/2017	526,857	-	61,688	146,709	-	-
	10/31/2017	683,357	9,771	57,452	61,472	-	-
	11/03/2017	757,477	6,501	63,198	66,500	-	-
	11/07/2017	695,576	4,722	55,350	60,538	-	-
	11/10/2017	754,927	4,395	48,686	54,691	-	-
	11/14/2017	702,958	3,666	53,782	224,395	-	-
	11/17/2017	775,955	4,017	59,896	146,803	-	-
	11/21/2017	759,487	3,501	100,132	170,618	-	-
	11/24/2017	722,754	3,192	46,134	48,624	-	-
	11/28/2017	782,048	3,462	79,088	70,788	-	-
	12/01/2017	860,835	3,495	92,148	155,935	-	-
	12/05/2017	834,578	3,234	51,704	59,512	-	-
	12/08/2017	884,269	3,069	58,268	58,998	-	-
	12/12/2017	866,764	2,808	103,602	97,216	-	-
	12/15/2017	1,015,854	3,318	80,340	77,166	-	-
	12/19/2017	1,029,818	3,144	83,698	81,028	-	-
	12/22/2017	1,319,975	3,345	89,170	98,678	-	-
	12/26/2017	1,155,214	3,252	100,486	168,879	-	-
	12/29/2017	2,322,166	5,862	247,146	232,921	-	-
	1/02/2018	2,714,570	6,066	213,688	281,018	-	-
PB	1/05/2018	3,806,827	7,605	1,331,402	463,625	-	-
	1/09/2018	801,818	2,280	61,920	57,126	-	-
	1/12/2018	812,426	2,316	52,940	57,562	-	-

**Mega Millions  
Virginia Lottery Draw Activity  
From April 2017 through March 2018**

Exhibit I

State	Draw Date	Sales	Just the Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	1/16/2018	760,145	1,761	65,640	60,255	-	-
	1/19/2018	762,277	2,085	54,272	56,174	-	-
	1/23/2018	728,482	2,172	76,716	79,153	-	-
	1/26/2018	798,621	2,049	60,072	68,654	-	-
	1/30/2018	727,348	1,950	56,340	49,322	-	-
	2/02/2018	857,637	2,235	145,948	186,559	-	-
	2/06/2018	799,330	1,986	56,864	226,366	-	-
	2/09/2018	862,399	2,175	75,028	236,798	-	-
	2/13/2018	824,891	2,133	66,238	230,937	-	-
	2/16/2018	920,111	2,127	60,106	146,035	-	-
	2/20/2018	844,739	1,809	84,960	82,701	-	-
	2/23/2018	979,051	2,163	111,422	343,560	-	-
	2/27/2018	978,316	2,250	92,064	77,495	-	-
	3/02/2018	1,036,696	2,394	93,610	235,517	-	-
	3/06/2018	1,074,923	2,601	76,590	155,498	-	-
	3/09/2018	1,206,105	2,583	82,238	89,880	-	-
	3/13/2018	1,287,009	2,703	90,500	166,687	-	-
	3/16/2018	1,639,021	3,291	146,944	300,993	-	-
	3/20/2018	1,545,159	3,537	120,214	129,252	-	-
	3/23/2018	1,706,170	4,080	137,558	137,563	-	-
	3/27/2018	1,943,054	4,626	194,558	305,189	-	-
NJ	3/30/2018	4,206,015	8,589	324,322	413,685	-	-
<b>Total</b>		<b>\$95,649,180</b>	<b>\$154,320</b>	<b>\$17,776,431</b>	<b>\$15,309,090</b>	<b>\$ -</b>	<b>\$ -</b>

**Mega Millions**  
**Virginia Lottery Fixed Prize Analysis**  
**From April 2017 through March 2018**

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Georgia	\$ (443,263)	\$ 15,424,469	\$ 17,915,303	\$(2,334,484)	\$(599,613)
Illinois	(481,916)	18,915,750	17,221,049	866,339	346,446
Massachusetts	713,355	10,924,150	12,395,623	(176,363)	(581,755)
Maryland	(308,911)	8,062,788	12,569,933	(4,418,920)	(397,136)
Michigan	(539,393)	21,039,627	20,685,605	554,921	(740,292)
New Jersey	1,344,533	27,539,225	25,948,758	2,896,862	38,138
New York	(229,879)	49,313,553	47,899,874	(149,681)	1,333,481
Ohio	553,017	17,344,236	16,535,478	(38,145)	1,399,920
Virginia	(386,356)	17,776,431	15,309,090	2,606,808	(525,823)
Washington	(221,187)	7,775,026	7,634,542	192,663	(273,366)
<b>Total</b>	<b>\$ -</b>	<b>\$194,115,255</b>	<b>\$194,115,255</b>	<b>\$ -</b>	<b>\$ -</b>