



VIRGINIA LOTTERY
MEGAPLIER

REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2016 THROUGH MARCH 2017

Auditor of Public Accounts
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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 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 2016 through March 2017, and the Virginia Lottery's receivable or payable as of March 2017. 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 2016 through March 2017, 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 2016 through March 2017 for testing as indicated in "C," "D," and "E" below.

May 10, 2016
June 17, 2016
January 17, 2017

May 27, 2016
December 27, 2016

- 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 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 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 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 2017 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 2017 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

AVC/alh

Megaplier
Virginia Lottery Draw Activity
From April 2016 through March 2017

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
4/01/2016	\$ 76,447	\$ 7,583	\$ 130,040	\$ -	\$ -
4/05/2016	70,094	32,012	29,914	-	-
4/08/2016	75,274	15,242	18,377	-	-
4/12/2016	71,400	56,408	36,928	-	-
4/15/2016	78,005	35,920	40,148	-	-
4/19/2016	73,507	48,084	30,796	-	-
4/22/2016	80,252	41,352	46,079	-	-
4/26/2016	80,326	9,328	9,752	-	-
4/29/2016	89,886	37,284	46,256	-	-
5/03/2016	92,552	45,116	48,307	-	-
5/06/2016	107,229	39,666	52,606	-	-
5/10/2016	100,026	22,318	21,587	-	-
5/13/2016	105,128	37,716	37,829	-	-
5/17/2016	101,426	25,432	23,703	-	-
5/20/2016	108,050	13,157	13,722	-	-
5/24/2016	112,672	52,584	39,865	-	-
5/27/2016	117,120	25,284	26,310	-	-
5/31/2016	116,086	45,440	50,962	-	-
6/03/2016	131,932	30,302	31,041	-	-
6/07/2016	127,758	39,879	39,526	-	-
6/10/2016	133,366	61,696	64,164	-	-
6/14/2016	136,775	62,944	57,049	-	-
6/17/2016	156,354	74,404	74,668	-	-
6/21/2016	173,022	75,608	88,802	-	-
6/24/2016	199,928	99,288	100,880	-	-
6/28/2016	212,723	29,030	28,963	-	-
7/01/2016	304,846	37,161	37,590	-	-
7/05/2016	344,605	146,372	160,922	-	-
7/08/2016	493,533	60,192	60,047	-	-
7/12/2016	80,542	26,409	28,419	-	-
7/15/2016	85,156	9,331	9,829	-	-
7/19/2016	78,584	36,252	33,602	-	-
7/22/2016	81,196	37,452	50,224	-	-
7/26/2016	75,226	18,412	269,873	-	-
7/29/2016	89,109	44,616	573,520	-	-
8/02/2016	79,911	36,224	37,195	-	-
8/05/2016	83,204	25,485	27,534	-	-
8/09/2016	77,210	31,228	39,740	-	-

**Megaplier
Virginia Lottery Draw Activity
From April 2016 through March 2017**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
8/12/2016	82,915	30,219	28,427	-	-
8/16/2016	79,040	30,352	33,781	-	-
8/19/2016	85,649	40,860	38,062	-	-
8/23/2016	79,907	7,731	8,091	-	-
8/26/2016	83,569	19,118	134,124	-	-
8/30/2016	80,310	24,993	25,561	-	-
9/02/2016	92,875	19,976	23,326	-	-
9/06/2016	82,163	18,586	17,792	-	-
9/09/2016	92,564	28,575	31,009	-	-
9/13/2016	88,658	23,054	22,086	-	-
9/16/2016	95,091	22,684	22,841	-	-
9/20/2016	65,301	28,096	28,588	-	-
9/23/2016	73,407	26,096	20,506	-	-
9/27/2016	67,723	22,980	24,074	-	-
9/30/2016	77,754	32,968	35,683	-	-
10/04/2016	73,725	26,876	28,319	-	-
10/07/2016	77,946	7,287	7,578	-	-
10/11/2016	69,243	8,848	9,236	-	-
10/14/2016	69,901	15,182	15,566	-	-
10/18/2016	65,773	7,039	6,849	-	-
10/21/2016	69,965	23,970	22,484	-	-
10/25/2016	67,113	26,990	18,230	-	-
10/28/2016	72,004	28,764	29,628	-	-
11/01/2016	72,786	8,237	9,636	-	-
11/04/2016	77,194	19,352	19,138	-	-
11/08/2016	73,022	21,309	372,979	-	-
11/11/2016	76,800	31,976	508,646	-	-
11/15/2016	75,258	15,878	16,844	-	-
11/18/2016	82,340	38,156	37,436	-	-
11/22/2016	67,063	31,900	33,488	-	-
11/25/2016	68,896	15,712	16,102	-	-
11/29/2016	68,430	24,870	24,856	-	-
12/02/2016	74,564	7,828	8,252	-	-
12/06/2016	68,058	20,511	21,242	-	-
12/09/2016	73,034	30,144	28,626	-	-
12/13/2016	71,061	4,035,648	509,249	-	-
12/16/2016	76,408	33,840	37,764	-	-
12/20/2016	75,929	32,096	31,289	-	-

**Megaplier
Virginia Lottery Draw Activity
From April 2016 through March 2017**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
12/23/2016	88,509	40,100	39,771	-	-
12/27/2016	78,073	24,843	29,096	-	-
12/30/2016	97,007	10,269	136,754	-	-
1/03/2017	90,438	10,758	10,927	-	-
1/06/2017	98,342	46,332	44,121	-	-
1/10/2017	80,067	45,024	42,024	-	-
1/13/2017	103,613	22,134	22,166	-	-
1/17/2017	94,234	45,324	42,443	-	-
1/20/2017	101,500	27,738	24,395	-	-
1/24/2017	98,846	32,541	38,421	-	-
1/27/2017	107,763	32,636	28,997	-	-
1/31/2017	71,182	15,526	15,064	-	-
2/03/2017	79,606	36,572	47,488	-	-
2/07/2017	73,779	33,244	31,801	-	-
2/10/2017	80,560	30,064	35,701	-	-
2/14/2017	77,567	39,300	43,590	-	-
2/17/2017	86,123	35,720	37,145	-	-
2/21/2017	87,143	43,076	41,457	-	-
2/24/2017	94,498	21,710	21,854	-	-
2/28/2017	86,791	14,821	11,495	-	-
3/03/2017	97,015	40,684	43,838	-	-
3/07/2017	93,460	20,210	21,083	-	-
3/10/2017	101,480	84,336	53,698	-	-
3/14/2017	93,911	22,752	24,302	-	-
3/17/2017	103,891	34,392	38,347	-	-
3/21/2017	98,138	25,748	25,317	-	-
3/24/2017	108,063	41,040	45,439	-	-
3/28/2017	106,540	47,964	49,518	-	-
3/31/2017	118,541	27,774	30,406	-	-
Total	\$10,390,579	\$7,413,544	\$5,900,815	\$ -	\$ -

Megaplier
Virginia Lottery Fixed Prize Analysis
From April 2016 through March 2017

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/Out	Receivable (Payable)
Georgia	\$ (4,438)	\$ 2,280,712	\$ 3,755,876	\$(1,428,586)	\$ (51,016)
Illinois	13,575	3,440,152	5,779,720	(2,161,837)	(164,156)
Massachusetts	2,517	1,666,183	2,789,440	(1,080,944)	(39,796)
Maryland	-	789,165	1,663,400	(801,699)	(72,536)
Michigan	(4,670)	3,538,226	4,432,564	(757,731)	(141,277)
New Jersey	5,104	7,424,010	5,713,281	1,829,698	(113,865)
New York	(4,140)	5,036,671	8,486,251	(3,311,920)	(141,800)
Ohio	4,690	14,333,105	7,509,626	6,940,189	(112,020)
Virginia	(8,115)	7,413,544	5,900,815	1,631,757	(127,143)
Washington	(4,523)	2,338,600	2,229,395	(858,927)	963,609
Total	\$ -	\$48,260,368	\$48,260,368	\$ -	\$ -