



VIRGINIA LOTTERY MEGA MILLIONS

REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PERIOD

APRIL 1, 2019 THROUGH MARCH 31, 2020

Auditor of Public Accounts
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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 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 1, 2019, through March 31, 2020, and the Virginia Lottery's receivable as of March 31, 2020. 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 1, 2019, through March 31, 2020, 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 1, 2019, through March 31, 2020, for testing as indicated in "C," "D," and "E" below.

May 24, 2019
July 16, 2019
November 22, 2019

February 4, 2020
March 20, 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 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, 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 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 receivable 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 Mega Millions 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 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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Mega Millions
Virginia Lottery Draw Activity
From April 2019 through March 2020

Exhibit I

State	Draw Date	Sales	Just the Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/2/2019	\$ 779,514	\$ 1,260	\$ 60,588	\$ 59,474	\$ -	\$ -
	4/5/2019	885,492	1,602	61,442	223,859	-	-
	4/9/2019	854,660	1,656	74,134	78,937	-	-
	4/12/2019	903,004	1,548	82,444	78,814	-	-
	4/16/2019	866,024	1,830	1,077,560	152,232	-	-
	4/19/2019	924,888	1,410	73,684	69,946	-	-
	4/23/2019	907,665	1,611	86,942	80,053	-	-
	4/26/2019	1,005,691	1,623	106,250	103,137	-	-
	4/30/2019	992,242	1,746	76,194	144,879	-	-
	5/3/2019	1,062,952	1,812	99,100	166,219	-	-
	5/7/2019	1,033,512	1,806	75,580	78,344	-	-
	5/10/2019	1,091,109	1,725	75,780	153,372	-	-
	5/14/2019	1,130,282	1,728	87,448	85,095	-	-
	5/17/2019	1,204,138	1,902	103,440	178,940	-	-
	5/21/2019	1,201,626	1,854	91,384	101,263	-	-
	5/24/2019	1,289,485	1,995	132,418	177,367	-	-
	5/28/2019	1,323,818	2,418	1,106,302	307,208	-	-
	5/31/2019	1,762,644	2,910	142,678	291,023	-	-
	6/4/2019	1,832,405	3,447	132,018	213,481	-	-
	6/7/2019	2,325,362	3,918	203,618	261,150	-	-
	6/11/2019	709,141	1,029	57,734	141,273	-	-
	6/14/2019	738,644	1,242	67,850	63,233	-	-
	6/18/2019	683,507	1,119	49,888	57,123	-	-
	6/21/2019	725,725	1,125	47,076	211,936	-	-
	6/25/2019	678,036	1,044	44,516	128,527	-	-
	6/28/2019	736,564	1,140	54,252	57,183	-	-
	7/2/2019	710,619	1,041	59,444	60,842	-	-
	7/5/2019	713,844	942	56,704	55,512	-	-
	7/9/2019	727,808	1,062	62,596	161,135	-	-
	7/12/2019	788,634	1,116	97,420	75,023	-	-
	7/16/2019	799,735	1,365	57,296	60,378	-	-
	7/19/2019	862,627	1,455	68,156	68,865	-	-
	7/23/2019	821,791	1,257	84,012	77,682	-	-
	7/26/2019	659,148	948	62,788	66,904	-	-
	7/30/2019	614,653	945	67,674	61,375	-	-
	8/2/2019	680,446	1,026	60,886	55,092	-	-
	8/6/2019	626,887	903	54,074	45,612	-	-
	8/9/2019	668,007	981	43,746	47,818	-	-
	8/13/2019	625,636	1,020	56,148	60,889	-	-
	8/16/2019	671,059	1,053	54,184	61,656	-	-
	8/20/2019	645,070	978	54,712	58,388	-	-

Mega Millions
Virginia Lottery Draw Activity
From April 2019 through March 2020

Exhibit I

State	Draw Date	Sales	Just the Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/23/2019	718,201	1,065	57,114	54,691	-	-
	8/27/2019	738,569	1,209	64,016	68,952	-	-
	8/30/2019	815,499	1,281	78,970	85,119	-	-
	9/3/2019	750,564	1,314	62,264	66,986	-	-
	9/6/2019	823,013	1,155	106,398	199,803	-	-
	9/10/2019	821,516	1,326	59,174	59,431	-	-
	9/13/2019	920,874	1,470	74,430	78,883	-	-
	9/17/2019	883,156	1,392	77,034	70,697	-	-
	9/20/2019	986,836	1,644	78,270	74,514	-	-
	9/24/2019	986,665	1,767	83,510	90,294	-	-
	9/27/2019	659,026	828	48,556	47,695	-	-
	10/1/2019	616,997	843	63,790	57,331	-	-
	10/4/2019	662,152	822	46,150	50,217	-	-
	10/8/2019	608,492	852	68,940	61,702	-	-
	10/11/2019	653,943	771	65,224	60,114	-	-
	10/15/2019	610,666	786	50,426	52,468	-	-
	10/18/2019	662,958	810	40,772	151,581	-	-
	10/22/2019	626,381	939	95,354	84,316	-	-
	10/25/2019	687,166	930	56,690	58,684	-	-
	10/29/2019	672,381	963	1,065,856	268,069	-	-
	11/1/2019	741,821	1,083	51,322	54,858	-	-
	11/5/2019	754,335	1,437	56,474	60,111	-	-
	11/8/2019	815,591	1,425	78,222	68,830	-	-
	11/12/2019	780,784	1,470	53,746	61,379	-	-
	11/15/2019	860,201	1,431	60,452	67,780	-	-
	11/19/2019	864,120	1,644	70,304	64,464	-	-
	11/22/2019	977,866	1,752	75,552	80,497	-	-
	11/26/2019	990,905	1,773	91,884	92,933	-	-
	11/29/2019	965,418	1,542	85,118	82,623	-	-
	12/3/2019	1,069,666	1,782	86,002	81,705	-	-
	12/6/2019	1,128,699	1,593	76,996	83,539	-	-
	12/10/2019	1,251,271	1,953	90,756	99,082	-	-
	12/13/2019	1,395,815	2,223	119,494	118,191	-	-
	12/17/2019	1,453,476	2,070	121,316	110,009	-	-
	12/20/2019	685,126	828	56,788	49,678	-	-
	12/24/2019	788,662	1,104	59,566	64,249	-	-
	12/27/2019	649,011	855	50,450	45,048	-	-
	12/31/2019	821,776	1,272	65,596	67,998	-	-
	1/3/2020	668,665	975	40,710	46,015	-	-
	1/7/2020	618,958	918	51,014	46,903	-	-
	1/10/2020	686,993	855	52,018	54,982	-	-

Mega Millions
Virginia Lottery Draw Activity
From April 2019 through March 2020

Exhibit I

State	Draw Date	Sales	Just the Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	1/14/2020	665,271	825	1,063,562	172,665	-	-
	1/17/2020	770,613	1,107	62,928	68,087	-	-
	1/21/2020	715,435	861	62,320	69,167	-	-
	1/24/2020	804,157	999	64,624	67,061	-	-
	1/28/2020	798,867	1,113	76,452	62,362	-	-
	1/31/2020	879,151	1,335	70,950	169,269	-	-
	2/4/2020	870,898	1,494	65,692	170,536	-	-
	2/7/2020	874,113	1,437	96,008	83,888	-	-
	2/11/2020	923,895	1,641	71,412	74,202	-	-
	2/14/2020	656,157	765	45,088	49,845	-	-
	2/18/2020	603,760	840	48,420	52,052	-	-
	2/21/2020	639,457	873	59,494	59,833	-	-
	2/25/2020	611,310	954	43,458	50,684	-	-
	2/28/2020	666,710	918	46,250	48,998	-	-
	3/3/2020	641,819	849	49,060	50,680	-	-
	3/6/2020	665,334	942	53,204	54,571	-	-
	3/10/2020	616,602	816	60,130	55,656	-	-
	3/13/2020	659,014	864	66,276	154,242	-	-
	3/17/2020	586,150	918	42,770	45,803	-	-
	3/20/2020	589,786	894	59,434	55,166	-	-
	3/24/2020	550,230	834	53,452	166,862	-	-
	3/27/2020	573,607	897	46,598	44,848	-	-
	3/31/2020	528,854	864	39,004	41,680	-	-
Total		\$88,029,498	\$137,784	\$11,393,464	\$9,791,817	\$ -	\$ -

Mega Millions
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	\$(635,464)	\$ 11,111,592	\$ 11,986,095	\$(1,328,615)	\$ (181,352)
Illinois	(622,076)	11,963,774	11,856,644	(1,350,342)	835,396
Massachusetts	(465,696)	7,755,300	9,112,080	(820,647)	(1,001,829)
Maryland	534,485	7,752,270	8,916,728	284,425	(914,398)
Michigan	1,293,157	14,849,066	13,175,103	3,339,375	(372,255)
New Jersey	47,902	19,008,732	17,437,470	1,424,857	194,307
New York	146,719	11,021,756	12,796,408	(1,627,933)	-
Ohio	(586,293)	9,313,804	10,811,323	(2,109,327)	25,515
Virginia	(472,238)	11,393,464	9,791,817	134,014	995,395
Washington	759,504	7,039,390	5,325,480	2,054,193	419,221
Total	\$ -	\$111,209,148	\$111,209,148	\$ -	\$ -