



VIRGINIA LOTTERY
POWERBALL

REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2014 THROUGH MARCH 2015

Auditor of Public Accounts
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Members of the Virginia Lottery Board
900 East Main Street
Richmond, Virginia

INDEPENDENT AUDITOR'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Virginia Lottery and the other member lotteries in states of California, Georgia, Illinois, Massachusetts, Maryland, Michigan, New Jersey, New York, Ohio, and Washington (referred to as the "Member Lotteries"), which operate **Powerball**, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Powerball: Virginia Lottery's sales and prize expense for the period April 2014 through March 2015, and the Virginia Lottery's receivable or payable as of March 2015. Virginia Lottery is responsible for its records of the financial information associated with Powerball. 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 2014 through March 2015, and attached those as Exhibit I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Powerball drawings from the period April 2014 through March 2015 for testing as indicated in "C," "D," and "E" below.

July 16, 2014
October 18, 2014
March 4, 2015

September 27, 2014
February 7, 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 Powerball’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 Powerball 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 purchases of investments 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 2015 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 Powerball Prize Settlement Report as of March 2015 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 Powerball. 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/clj

**Powerball
Virginia Lottery Draw Activity
From April 2014 to March 2015**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/2/2014	\$ 676,494	\$ 50,796	\$ 140,191	\$ -	\$ -
	4/5/2014	769,358	58,201	143,506	-	-
	4/9/2014	715,062	62,744	139,971	-	-
	4/12/2014	820,556	87,377	61,497	-	-
	4/16/2014	823,886	70,655	216,845	-	-
	4/19/2014	942,858	68,278	78,058	-	-
PB	4/23/2014	891,040	71,759	147,132	-	-
	4/26/2014	647,122	51,444	215,945	-	-
	4/30/2014	575,548	46,168	133,776	-	-
	5/3/2014	680,188	49,560	53,449	-	-
	5/7/2014	615,578	50,798	44,063	-	-
	5/10/2014	691,412	57,875	50,490	-	-
	5/14/2014	632,800	44,230	50,852	-	-
	5/17/2014	765,076	64,114	137,239	-	-
	5/21/2014	731,330	50,465	203,028	-	-
	5/24/2014	884,996	76,360	145,921	-	-
	5/28/2014	853,128	65,199	215,692	-	-
	5/31/2014	1,036,178	74,307	156,585	-	-
	6/4/2014	1,089,684	97,294	171,140	-	-
	6/7/2014	1,302,556	101,871	174,249	-	-
PB	6/11/2014	1,460,754	127,984	312,327	-	-
	6/14/2014	650,288	45,294	128,582	-	-
	6/18/2014	586,584	60,969	53,941	-	-
	6/21/2014	685,320	1,058,557	215,368	-	-
	6/25/2014	641,748	57,907	58,101	-	-
	6/28/2014	729,728	86,346	68,384	-	-
	7/2/2014	729,054	62,480	233,999	-	-
	7/5/2014	843,336	67,958	241,574	-	-
OH	7/9/2014	869,416	72,711	237,845	-	-
	7/12/2014	635,468	61,143	151,453	-	-
	7/16/2014	589,104	1,046,331	139,951	-	-
CA	7/19/2014	678,484	63,856	57,105	-	-
	7/23/2014	545,444	69,670	149,384	-	-
	7/26/2014	628,574	54,699	48,638	-	-
	7/30/2014	575,662	41,233	45,365	-	-
	8/2/2014	707,806	1,051,980	242,931	-	-

**Powerball
Virginia Lottery Draw Activity
From April 2014 to March 2015**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/6/2014	643,372	47,400	226,983	-	-
PB	8/9/2014	738,550	54,891	152,466	-	-
	8/13/2014	523,700	38,411	127,118	-	-
	8/16/2014	615,498	49,075	50,836	-	-
	8/20/2014	545,320	44,090	45,869	-	-
	8/23/2014	645,708	55,165	47,776	-	-
	8/27/2014	611,644	46,072	310,637	-	-
	8/30/2014	741,370	53,457	56,888	-	-
	9/3/2014	774,206	56,308	146,196	-	-
	9/6/2014	873,148	65,555	67,689	-	-
	9/10/2014	850,148	66,504	153,269	-	-
	9/13/2014	970,488	81,429	78,876	-	-
	9/17/2014	962,078	78,971	150,253	-	-
	9/20/2014	1,132,940	91,306	233,998	-	-
CA	9/24/2014	1,270,484	110,196	439,868	-	-
	9/27/2014	602,762	69,441	138,773	-	-
	10/1/2014	538,968	58,985	52,110	-	-
	10/4/2014	612,298	43,711	52,224	-	-
	10/8/2014	552,960	42,184	125,070	-	-
	10/11/2014	634,832	46,321	137,692	-	-
	10/15/2014	582,064	59,457	133,906	-	-
	10/18/2014	738,322	54,690	222,112	-	-
	10/22/2014	704,874	58,513	54,144	-	-
	10/25/2014	811,222	62,467	144,901	-	-
	10/29/2014	780,320	55,666	136,433	-	-
	11/1/2014	910,604	73,044	163,190	-	-
	11/5/2014	916,790	77,749	149,796	-	-
PB	11/8/2014	1,077,222	80,122	162,737	-	-
	11/12/2014	531,402	43,407	42,870	-	-
	11/15/2014	603,466	41,310	132,007	-	-
	11/19/2014	540,812	50,098	42,831	-	-
	11/22/2014	635,498	45,212	47,647	-	-
	11/26/2014	612,364	46,307	51,943	-	-
WA	11/29/2014	620,006	1,043,533	139,672	-	-
	12/3/2014	508,948	35,251	35,228	-	-
	12/6/2014	570,636	51,139	140,112	-	-

**Powerball
Virginia Lottery Draw Activity
From April 2014 to March 2015**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/10/2014	520,522	41,170	39,802	-	-
	12/13/2014	608,240	45,671	132,023	-	-
	12/17/2014	552,196	39,587	43,135	-	-
	12/20/2014	644,756	51,907	145,287	-	-
	12/24/2014	782,490	55,321	145,535	-	-
	12/27/2014	659,318	66,236	67,904	-	-
	12/31/2014	875,280	76,377	156,422	-	-
	1/3/2015	756,402	66,986	58,529	-	-
	1/7/2015	730,332	55,376	133,867	-	-
	1/10/2015	822,748	79,855	81,516	-	-
	1/14/2015	783,624	56,397	64,569	-	-
	1/17/2015	981,136	78,513	388,450	-	-
	1/21/2015	1,031,062	75,953	291,722	-	-
	1/24/2015	1,204,668	1,105,950	314,462	-	-
	1/28/2015	1,225,498	88,049	235,078	-	-
	1/31/2015	1,531,430	117,050	191,024	-	-
	2/4/2015	2,176,310	165,245	251,257	-	-
	2/7/2015	3,225,798	267,924	537,857	-	-
PB	2/11/2015	9,850,374	879,395	1,677,025	-	-
	2/14/2015	655,836	43,802	49,890	-	-
	2/18/2015	537,892	38,405	124,088	-	-
	2/21/2015	592,046	42,212	124,614	-	-
	2/25/2015	660,732	53,151	232,918	-	-
	2/28/2015	712,560	58,009	231,493	-	-
	3/4/2015	753,006	1,051,109	317,960	-	-
	3/7/2015	809,730	57,381	144,301	-	-
	3/11/2015	822,466	62,218	234,021	-	-
NY	3/14/2015	945,974	82,009	73,392	-	-
	3/18/2015	585,684	45,724	50,201	-	-
PB	3/21/2015	643,398	57,397	62,653	-	-
NJ	3/25/2015	550,658	42,445	134,338	-	-
	3/28/2015	622,098	76,260	152,742	-	-
Total		\$ 91,540,908	\$ 13,529,134	\$ 16,546,772	\$ -	\$ -

Powerball
Virginia Lottery Fixed Prize Analysis
From April 2014 to March 2015

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Actual Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In (Out)	Receivable (Payable)
Georgia	\$ (747,713)	\$ 23,131,857	\$ 19,895,306	\$ 1,017,085	\$ 1,471,753
Illinois	(820,554)	24,922,505	23,611,961	(875,959)	1,365,949
Massachusetts	497,464	20,467,091	16,543,014	4,452,165	(30,624)
Maryland	398,141	4,715,928	3,425,589	1,688,480	-
Michigan	(697,722)	12,895,307	19,647,006	(7,152,953)	(296,468)
New Jersey	833,901	23,839,206	30,521,680	(3,860,801)	(1,987,772)
New York	34,796	57,470,922	53,394,752	4,599,551	(488,585)
Ohio	(601,678)	18,140,074	17,785,441	(13,860)	(233,185)
POWERBALL					
Virginia	1,399,249	13,529,134	16,546,772	(1,401,988)	(216,401)
Washington	(295,884)	10,893,164	8,633,667	1,548,280	415,333
Total	\$ -	\$210,005,188	\$210,005,188	\$ -	\$ -