



VIRGINIA LOTTERY
MEGAPLIER

REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2015 THROUGH MARCH 2016

Auditor of Public Accounts
Martha S. Mavredes, CPA
www.apa.virginia.gov
(804) 225-3350





Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 16, 2016

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, 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 2015 through March 2016, and the Virginia Lottery's receivable or payable as of March 2016. Virginia Lottery is responsible for its records of the financial information associated with Megaplier. 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 2015 through March 2016, 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 2015 through March 2016 for testing as indicated in "C," "D," and "E" below.

August 4, 2015
January 15, 2016
March 18, 2016

November 20, 2015
January 29, 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 shared 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 2016 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 2016 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 Megaplier. 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/alh

**Megaplier
Virginia Lottery Draw Activity
From April 2015 through March 2016**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
4/3/2015	\$ 76,968	\$ 29,336	\$ 540,604	\$ -	\$ -
4/7/2015	71,304	25,014	25,404	-	-
4/10/2015	75,517	9,510	9,016	-	-
4/14/2015	71,889	32,592	34,547	-	-
4/17/2015	79,150	10,395	10,011	-	-
4/21/2015	74,431	34,728	35,535	-	-
4/24/2015	83,600	30,042	28,635	-	-
4/28/2015	79,289	35,596	35,680	-	-
5/1/2015	93,820	21,480	23,678	-	-
5/5/2015	89,446	46,932	47,437	-	-
5/8/2015	97,267	25,806	25,823	-	-
5/12/2015	93,195	34,684	41,538	-	-
5/15/2015	102,371	49,624	51,205	-	-
5/19/2015	101,466	54,048	60,067	-	-
5/22/2015	116,695	59,776	67,856	-	-
5/26/2015	115,948	40,425	37,005	-	-
5/29/2015	138,468	39,408	42,613	-	-
6/2/2015	144,656	65,802	84,992	-	-
6/5/2015	74,178	23,313	26,894	-	-
6/9/2015	69,582	42,536	44,906	-	-
6/12/2015	75,370	4,030,656	518,183	-	-
6/16/2015	73,073	8,444	8,448	-	-
6/19/2015	77,599	22,544	22,810	-	-
6/23/2015	74,154	28,948	32,138	-	-
6/26/2015	82,490	35,940	42,750	-	-
6/30/2015	80,868	41,418	30,080	-	-
7/3/2015	92,021	28,245	31,104	-	-
7/7/2015	87,633	18,040	21,599	-	-
7/10/2015	97,648	23,028	23,012	-	-
7/14/2015	97,035	23,570	24,032	-	-
7/17/2015	103,750	36,160	28,269	-	-
7/21/2015	102,630	41,628	44,145	-	-
7/24/2015	71,315	32,948	34,532	-	-
7/28/2015	66,425	31,868	30,795	-	-
7/31/2015	75,306	25,788	26,622	-	-

**Megaplier
Virginia Lottery Draw Activity
From April 2015 through March 2016**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
8/4/2015	67,929	6,681	11,532	-	-
8/7/2015	70,803	13,420	14,352	-	-
8/11/2015	67,386	23,694	23,509	-	-
8/14/2015	73,616	26,328	30,309	-	-
8/18/2015	69,582	15,126	16,662	-	-
8/21/2015	75,252	35,764	37,273	-	-
8/25/2015	71,708	27,156	29,919	-	-
8/28/2015	78,589	25,659	24,107	-	-
9/1/2015	77,635	37,384	38,511	-	-
9/4/2015	84,098	46,200	39,718	-	-
9/8/2015	74,798	22,318	20,449	-	-
9/11/2015	89,418	9,642	9,820	-	-
9/15/2015	63,850	21,660	25,015	-	-
9/18/2015	69,337	17,612	17,320	-	-
9/22/2015	66,194	36,876	34,321	-	-
9/25/2015	74,177	31,588	32,959	-	-
9/29/2015	70,893	16,042	17,653	-	-
10/2/2015	80,245	9,184	10,154	-	-
10/6/2015	71,870	15,842	16,501	-	-
10/9/2015	78,536	24,024	26,241	-	-
10/13/2015	74,826	52,312	41,637	-	-
10/16/2015	80,565	17,460	17,441	-	-
10/20/2015	78,497	24,411	27,653	-	-
10/23/2015	91,211	37,592	40,034	-	-
10/27/2015	88,152	20,002	20,366	-	-
10/30/2015	96,577	42,880	45,771	-	-
11/3/2015	97,911	37,836	41,388	-	-
11/6/2015	105,244	24,378	25,123	-	-
11/10/2015	105,702	52,206	41,989	-	-
11/13/2015	135,303	60,640	61,845	-	-
11/17/2015	66,197	15,066	26,151	-	-
11/20/2015	71,828	8,650	8,927	-	-
11/24/2015	67,554	24,147	23,791	-	-
11/27/2015	66,416	13,366	15,893	-	-
12/1/2015	71,122	8,768	9,163	-	-
12/4/2015	76,019	36,680	31,855	-	-

**Megaplier
Virginia Lottery Draw Activity
From April 2015 through March 2016**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
12/8/2015	72,150	15,892	17,222	-	-
12/11/2015	77,782	25,509	25,437	-	-
12/15/2015	75,196	54,756	523,842	-	-
12/18/2015	82,922	43,588	46,646	-	-
12/22/2015	85,063	18,722	20,839	-	-
12/25/2015	81,600	26,064	27,383	-	-
12/29/2015	95,710	24,422	23,773	-	-
1/1/2016	107,364	47,872	57,075	-	-
1/5/2016	127,694	58,148	60,061	-	-
1/8/2016	167,620	71,052	72,472	-	-
1/12/2016	116,581	44,790	55,211	-	-
1/15/2016	96,480	9,604	9,850	-	-
1/19/2016	72,591	8,412	8,651	-	-
1/22/2016	70,866	31,764	33,229	-	-
1/26/2016	61,359	6,561	6,185	-	-
1/29/2016	78,182	8,493	8,969	-	-
2/2/2016	75,813	24,627	27,297	-	-
2/5/2016	79,632	28,380	18,908	-	-
2/9/2016	74,736	25,395	23,549	-	-
2/12/2016	81,199	15,688	16,559	-	-
2/16/2016	70,487	13,706	15,644	-	-
2/19/2016	85,436	41,436	28,909	-	-
2/23/2016	82,729	33,044	38,910	-	-
2/26/2016	88,476	25,314	28,909	-	-
3/1/2016	89,095	40,328	40,445	-	-
3/4/2016	95,251	31,248	31,508	-	-
3/8/2016	91,339	58,880	510,757	-	-
3/11/2016	71,149	25,989	24,203	-	-
3/15/2016	66,336	27,798	25,289	-	-
3/18/2016	71,324	28,092	33,434	-	-
3/22/2016	66,904	28,232	29,188	-	-
3/25/2016	72,105	8,490	9,373	-	-
3/29/2016	66,800	28,944	32,387	-	-
Total	\$8,753,568	\$7,060,106	\$5,079,431	\$ -	\$ -

Megaplier
Virginia Lottery Fixed Prize Analysis
From April 2015 through March 2016

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/Out	Receivable (Payable)
Georgia	\$(263,168)	\$ 2,063,311	\$ 3,316,848	\$(1,512,267)	\$(4,438)
Illinois	(358,282)	7,079,184	4,969,799	1,737,528	13,575
Massachusetts	(177,933)	1,499,271	2,504,524	(1,185,703)	2,517
Michigan	(256,364)	6,438,360	3,935,348	2,251,318	(4,670)
New Jersey	(405,969)	3,257,775	4,917,661	(2,070,959)	5,104
New York	2,455,910	4,619,593	7,592,585	(512,942)	(4,140)
Ohio	(541,404)	8,591,132	7,594,560	450,478	4,690
Virginia	(350,525)	7,060,106	5,079,431	1,638,265	(8,115)
Washington	(102,265)	1,176,992	1,874,968	(795,718)	(4,523)
Total	\$ -	\$41,785,724	\$41,785,724	\$ -	\$ -