



VIRGINIA LOTTERY  
MEGA MILLIONS

REPORT ON APPLYING  
AGREED-UPON PROCEDURES  
FOR THE PERIOD  
APRIL 2018 THROUGH MARCH 2019

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# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
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June 13, 2019

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 2018 through March 2019, and the Virginia Lottery's receivable or payable as of March 2019. 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 2018 through March 2019, 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 2018 through March 2019 for testing as indicated in "C," "D," and "E" below.

April 17, 2018  
June 19, 2018  
November 20, 2018

January 29, 2019  
February 22, 2019

- 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 2019 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 2019 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

KJS/clj

**Mega Millions**  
**Virginia Lottery Draw Activity**  
**From April 2018 through March 2019**

Exhibit I

State	Draw Date	Sales	Just the Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/3/2018	\$ 812,188	\$ 1,734	\$ 63,248	\$ 69,160	\$ -	\$ -
	4/6/2018	823,736	1,668	53,134	54,212	-	-
	4/10/2018	738,850	1,644	48,582	137,780	-	-
	4/13/2018	809,601	1,557	75,070	71,127	-	-
	4/17/2018	727,102	1,398	50,402	51,313	-	-
	4/20/2018	802,371	1,557	70,960	70,002	-	-
	4/24/2018	744,430	1,524	72,024	71,492	-	-
	4/27/2018	865,534	1,692	82,106	74,617	-	-
	5/1/2018	823,519	1,671	66,224	71,950	-	-
OH	5/4/2018	893,162	1,866	103,452	429,366	-	-
	5/8/2018	669,878	1,218	1,055,308	395,540	-	-
	5/11/2018	715,609	1,305	44,062	134,118	-	-
	5/15/2018	648,569	1,419	39,450	47,500	-	-
	5/18/2018	705,921	1,575	57,742	62,867	-	-
	5/22/2018	656,640	1,398	61,896	65,170	-	-
	5/25/2018	757,214	1,536	50,752	52,626	-	-
	5/29/2018	664,312	1,464	89,094	55,415	-	-
	6/1/2018	803,256	1,542	76,316	143,737	-	-
	6/5/2018	793,469	1,833	62,392	64,968	-	-
	6/8/2018	855,247	2,121	90,474	73,987	-	-
	6/12/2018	822,094	2,010	124,376	120,252	-	-
	6/15/2018	893,274	1,956	95,724	235,198	-	-
	6/19/2018	837,751	2,031	60,206	67,805	-	-
	6/22/2018	934,952	2,298	97,526	158,866	-	-
	6/26/2018	994,795	2,871	72,228	150,460	-	-
	6/29/2018	1,127,914	3,282	76,670	80,931	-	-
	7/3/2018	1,159,780	3,594	91,278	85,740	-	-
	7/6/2018	1,191,332	3,372	79,584	87,778	-	-
	7/10/2018	1,376,855	4,053	126,434	264,143	-	-
	7/13/2018	1,671,734	4,290	127,774	132,310	-	-
	7/17/2018	1,655,563	4,293	159,368	202,462	-	-
	7/20/2018	2,763,002	5,778	235,010	297,023	-	-
CA	7/24/2018	4,675,181	9,579	450,918	795,231	-	-
	7/27/2018	754,365	1,515	50,678	51,597	-	-
	7/31/2018	709,471	1,395	59,794	63,065	-	-
	8/3/2018	770,805	1,383	60,932	63,346	-	-
	8/7/2018	695,960	1,608	65,072	61,207	-	-
	8/10/2018	746,452	1,518	103,898	169,071	-	-
	8/14/2018	717,758	1,512	59,566	66,039	-	-
	8/17/2018	790,154	1,896	65,386	70,743	-	-
	8/21/2018	796,522	1,728	78,162	71,984	-	-

**Mega Millions**  
**Virginia Lottery Draw Activity**  
**From April 2018 through March 2019**

Exhibit I

State	Draw Date	Sales	Just the Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/24/2018	871,962	2,034	85,224	246,375	-	-
	8/28/2018	839,702	1,932	58,138	61,319	-	-
	8/31/2018	934,931	2,133	71,460	151,456	-	-
	9/4/2018	841,106	1,866	86,884	85,321	-	-
	9/7/2018	943,416	1,944	78,034	82,200	-	-
	9/11/2018	972,468	2,136	66,040	70,370	-	-
	9/14/2018	1,021,890	2,382	82,636	90,269	-	-
	9/18/2018	994,206	2,310	66,470	145,254	-	-
	9/21/2018	1,094,971	2,493	101,280	169,502	-	-
	9/25/2018	1,212,627	2,793	97,944	173,078	-	-
	9/28/2018	1,370,373	3,099	115,006	109,561	-	-
	10/2/2018	1,421,393	3,411	125,238	119,932	-	-
	10/5/2018	1,879,669	4,107	154,316	156,101	-	-
	10/9/2018	2,163,690	4,386	155,488	166,594	-	-
	10/12/2018	3,104,215	6,381	277,830	271,105	-	-
	10/16/2018	6,120,514	12,006	515,088	716,475	-	-
	10/19/2018	16,182,392	38,430	3,419,422	2,063,781	-	-
PB	10/23/2018	20,781,082	44,052	3,807,962	2,730,329	-	-
	10/26/2018	1,223,868	2,904	100,514	198,577	-	-
	10/30/2018	1,044,368	2,112	82,304	268,561	-	-
	11/2/2018	968,831	1,797	74,124	70,491	-	-
	11/6/2018	858,774	1,854	79,128	75,498	-	-
	11/9/2018	874,571	1,629	75,788	78,355	-	-
	11/13/2018	842,017	1,779	79,996	152,842	-	-
	11/16/2018	885,723	1,707	65,004	62,026	-	-
	11/20/2018	889,626	1,758	71,992	76,187	-	-
	11/23/2018	819,557	1,635	63,524	62,771	-	-
	11/27/2018	880,426	1,776	60,982	66,110	-	-
	11/30/2018	950,242	1,836	64,596	69,270	-	-
	12/4/2018	961,673	2,013	76,130	162,380	-	-
	12/7/2018	997,906	1,884	113,764	178,083	-	-
	12/11/2018	899,835	1,581	90,594	145,938	-	-
	12/14/2018	1,013,459	1,557	86,712	161,052	-	-
	12/18/2018	999,021	1,761	81,650	84,539	-	-
	12/21/2018	1,142,495	2,085	103,936	97,697	-	-
	12/25/2018	1,664,611	2,445	132,444	140,003	-	-
	12/28/2018	1,822,570	2,784	137,614	365,228	-	-
NY	1/1/2019	2,951,822	5,142	221,562	533,322	-	-
	1/4/2019	808,028	1,146	61,044	67,373	-	-
	1/8/2019	753,020	1,056	63,170	66,760	-	-
	1/11/2019	805,964	1,122	62,756	142,747	-	-

**Mega Millions  
Virginia Lottery Draw Activity  
From April 2018 through March 2019**

Exhibit I

State	Draw Date	Sales	Just the Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	1/15/2019	693,477	1,005	60,330	59,631	-	-
	1/18/2019	788,629	1,083	72,422	57,459	-	-
	1/22/2019	705,744	1,014	44,834	47,387	-	-
	1/25/2019	787,398	1,200	68,948	149,133	-	-
	1/29/2019	782,916	1,068	52,370	136,422	-	-
	2/1/2019	840,101	1,185	67,594	73,176	-	-
	2/5/2019	837,810	1,254	88,648	78,066	-	-
	2/8/2019	878,535	1,419	74,744	80,377	-	-
	2/12/2019	819,487	1,257	75,582	153,832	-	-
	2/15/2019	918,400	1,284	72,126	78,471	-	-
	2/19/2019	921,907	1,497	105,500	81,329	-	-
	2/22/2019	953,582	1,434	90,958	302,182	-	-
	2/26/2019	980,643	1,437	84,712	151,786	-	-
NJ	3/1/2019	1,083,977	1,713	76,048	79,655	-	-
	3/5/2019	706,842	1,008	67,496	58,234	-	-
	3/8/2019	746,572	1,194	82,072	72,212	-	-
PB	3/12/2019	723,897	1,179	60,578	56,060	-	-
	3/15/2019	768,325	1,185	60,872	62,938	-	-
	3/19/2019	764,139	1,221	55,274	59,833	-	-
	3/22/2019	881,853	1,485	82,452	231,180	-	-
	3/26/2019	895,300	1,368	76,154	156,116	-	-
	3/29/2019	893,709	1,461	81,326	77,810	-	-
<b>Total</b>		<b>\$147,578,579</b>	<b>\$304,893</b>	<b>\$17,668,100</b>	<b>\$18,730,319</b>	<b>\$ -</b>	<b>\$ -</b>

**Mega Millions**  
**Virginia Lottery Fixed Prize Analysis**  
**From April 2018 through March 2019**

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Georgia	\$ (599,613)	\$ 20,514,266	\$ 22,956,164	\$(2,406,047)	\$(635,464)
Illinois	346,446	21,096,232	24,050,080	(1,985,326)	(622,076)
Massachusetts	(581,755)	19,774,326	17,688,756	1,969,511	(465,696)
Maryland	(397,136)	14,352,746	15,529,133	(2,108,008)	534,485
Michigan	(740,292)	25,089,722	24,138,420	(1,082,147)	1,293,157
New Jersey	38,138	31,450,310	32,189,096	(748,550)	47,902
New York	1,333,481	66,812,412	59,011,155	8,988,019	146,719
Ohio	1,399,920	18,331,130	21,336,318	(1,018,975)	(586,293)
Virginia	(525,823)	17,668,100	18,730,319	(1,115,804)	(472,238)
Washington	(273,366)	10,899,286	10,359,089	(492,673)	759,504
<b>Total</b>	<b>\$ -</b>	<b>\$245,988,530</b>	<b>\$245,988,530</b>	<b>\$ -</b>	<b>\$ -</b>