



VIRGINIA LOTTERY
MEGA MILLIONS

REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2013 THROUGH MARCH 2014

Auditor of Public Accounts
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June 18, 2014

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

Independent Auditor'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, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Texas, 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 2013 through March 2014, and the Virginia Lottery's receivable or payable as of March 2014. Virginia Lottery is responsible for its records of the financial information associated with Mega Millions. 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 2013 through March 2014, 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 2013 through March 2014 for testing as indicated in "C," "D," and "E" below.

July 23, 2013
November 19, 2013
December 13, 2013

September 6, 2013
November 26, 2013

- 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 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 compared the amount listed in the “Cash Options Amount” column of the “Draw Activity” report attached as Exhibit I to the Virginia Lottery’s cash disbursement subsidiary records and found them to be in agreement.
- 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 2014 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 2014 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 Mega Millions. 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

**MEGA MILLIONS
VIRGINIA LOTTERY
VIRGINIA DRAW ACTIVITY
From April 2013 through March 2014**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/2/2013	\$ 737,321	\$ 70,917	\$ 99,407	-	\$ -
	4/5/2013	836,966	365,335	187,337	-	-
	4/9/2013	766,526	77,431	150,069	-	-
	4/12/2013	854,030	198,348	241,952	-	-
	4/16/2013	816,481	114,127	153,367	-	-
	4/19/2013	886,002	403,137	203,265	-	-
	4/23/2013	888,402	95,179	161,476	-	-
	4/26/2013	1,039,751	365,091	160,388	-	-
	4/30/2013	1,017,687	91,500	155,575	-	-
	5/3/2013	1,136,729	113,814	199,151	-	-
	5/7/2013	1,118,098	391,908	167,039	-	-
	5/10/2013	1,275,168	154,601	245,053	-	-
	5/14/2013	1,335,562	169,928	261,609	-	-
NJ/VA	5/17/2013	2,136,551	229,709	407,501	-	73,279,053
	5/21/2013	732,665	87,355	121,637	-	-
	5/24/2013	725,007	93,148	115,875	-	-
	5/28/2013	628,350	75,964	77,180	-	-
NJ	5/31/2013	763,508	77,268	184,234	-	-
	6/4/2013	644,298	101,354	93,049	-	-
	6/7/2013	720,952	74,765	160,668	-	-
	6/11/2013	672,924	61,899	110,093	-	-
	6/14/2013	731,499	72,191	180,715	-	-
	6/18/2013	680,545	65,048	93,027	-	-
	6/21/2013	761,662	100,192	167,796	-	-
	6/25/2013	710,244	71,086	141,471	-	-
	6/28/2013	791,761	70,760	101,461	-	-
	7/2/2013	765,353	87,012	132,796	-	-
MI	7/5/2013	782,217	85,388	119,921	-	-
	7/9/2013	611,109	54,041	68,140	-	-
	7/12/2013	665,473	76,786	100,882	-	-
TX	7/16/2013	619,819	309,437	146,727	-	-
	7/19/2013	639,355	82,454	110,009	-	-
	7/23/2013	593,622	61,607	60,668	-	-
NJ	7/26/2013	663,243	81,827	115,357	-	-
	7/30/2013	585,697	52,147	62,367	-	-
	8/2/2013	675,120	76,983	121,144	-	-

MEGA MILLIONS
VIRGINIA LOTTERY
VIRGINIA DRAW ACTIVITY
From April 2013 through March 2014

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/6/2013	694,985	62,371	84,144	-	-
	8/9/2013	730,920	86,690	108,160	-	-
	8/13/2013	650,356	59,879	106,361	-	-
	8/16/2013	742,244	326,112	165,077	-	-
	8/20/2013	698,226	326,488	135,908	-	-
	8/23/2013	770,392	99,316	169,802	-	-
	8/27/2013	725,889	90,918	119,610	-	-
	8/30/2013	818,192	95,575	135,048	-	-
	9/3/2013	729,638	102,785	127,217	-	-
	9/6/2013	868,084	95,335	161,436	-	-
	9/10/2013	874,537	98,515	131,593	-	-
	9/13/2013	1,022,690	119,596	136,746	-	-
	9/17/2013	1,034,439	377,719	247,871	-	-
	9/20/2013	1,129,707	366,847	194,721	-	-
	9/24/2013	1,039,900	366,984	179,732	-	-
	9/27/2013	1,197,325	127,582	259,856	-	-
MD	10/1/2013	1,212,581	121,664	185,016	-	-
	10/4/2013	704,124	332,476	126,204	-	-
	10/8/2013	636,648	329,553	105,537	-	-
	10/11/2013	699,494	63,380	148,306	-	-
	10/15/2013	653,151	73,923	123,316	-	-
	10/18/2013	728,930	67,154	96,175	-	-
	10/22/2013	655,584	70,643	152,938	-	-
	10/25/2013	730,031	85,802	89,442	-	-
	10/29/2013	687,097	91,996	84,486	-	-
	11/1/2013	794,014	77,362	231,939	-	-
	11/5/2013	775,064	93,786	86,416	-	-
	11/8/2013	887,786	111,383	172,054	-	-
	11/12/2013	865,419	104,493	172,220	-	-
	11/15/2013	945,446	109,313	174,905	-	-
	11/19/2013	918,938	98,369	227,281	-	-
	11/22/2013	1,077,855	141,652	198,056	-	-
	11/26/2013	1,140,388	125,916	354,289	-	-
	11/29/2013	1,183,256	158,529	139,194	-	-
	12/3/2013	1,485,840	183,753	178,981	-	-
	12/6/2013	1,830,865	209,365	437,469	-	-

MEGA MILLIONS
VIRGINIA LOTTERY
VIRGINIA DRAW ACTIVITY
From April 2013 through March 2014

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/10/2013	2,093,503	259,667	452,811	-	-
	12/13/2013	5,342,919	668,200	938,851	-	-
CA/GA	12/17/2013	10,954,252	1,452,560	2,149,046	-	-
	12/20/2013	769,133	103,009	237,487	-	-
	12/24/2013	809,475	88,757	161,465	-	-
	12/27/2013	700,567	80,623	158,774	-	-
	12/31/2013	901,467	108,235	183,310	-	-
PB	1/3/2014	746,781	94,498	91,123	-	-
	1/7/2014	622,158	64,509	145,030	-	-
	1/10/2014	683,842	88,214	82,555	-	-
	1/14/2014	651,464	83,577	150,575	-	-
	1/17/2014	732,823	98,052	250,298	-	-
	1/21/2014	646,236	74,306	152,385	-	-
	1/24/2014	682,158	73,860	79,179	-	-
	1/28/2014	688,060	74,881	78,164	-	-
	1/31/2014	748,331	97,479	99,842	-	-
	2/4/2014	771,142	85,789	89,163	-	-
	2/7/2014	866,949	102,554	104,021	-	-
	2/11/2014	890,059	90,146	99,106	-	-
	2/14/2014	822,789	95,463	160,660	-	-
	2/18/2014	1,065,204	121,505	119,842	-	-
	2/21/2014	1,147,254	1,143,476	211,694	-	-
	2/25/2014	1,078,559	138,961	201,350	-	-
	2/28/2014	1,284,522	139,152	207,636	-	-
	3/4/2014	1,167,308	155,253	147,492	-	-
	3/7/2014	1,446,963	150,092	285,064	-	-
	3/11/2014	1,716,948	186,426	262,273	-	-
	3/14/2014	2,197,257	1,248,721	458,012	-	-
MD/PB	3/18/2014	3,227,505	429,154	681,899	-	-
	3/21/2014	706,033	82,697	88,991	-	-
NY	3/25/2014	664,654	81,049	77,090	-	-
	3/28/2014	<u>730,232</u>	<u>86,293</u>	<u>90,794</u>	-	-
Total		<u>\$ 109,906,279</u>	<u>\$ 18,060,119</u>	<u>\$ 20,021,894</u>		

MEGA MILLIONS
VIRGINIA LOTTERY
FIXED PRIZE ANALYSIS
From April 2013 to March 2014

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Actual Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In (Out)	Receivable (Payable)
California	\$ -	\$ -	\$ -	\$ -	\$ -
Georgia	1,056,767	24,976,684	23,379,254	3,456,956	(802,759)
Illinois	(178,371)	25,394,550	26,102,914	(984,868)	98,133
Massachusetts	(609,792)	15,963,974	14,676,889	227,536	449,757
Maryland	306,820	19,988,782	17,728,887	2,228,751	337,964
Michigan	(275,299)	24,257,563	25,336,896	(434,025)	(920,607)
New Jersey	(785,471)	34,676,724	37,719,129	(2,266,828)	(1,561,048)
New York	566,951	70,719,759	72,565,781	(1,491,008)	211,937
Ohio	244,303	25,513,945	22,663,489	1,890,426	1,204,333
POWERBALL					
Texas	14,343	30,264,473	30,217,141	61,675	-
Virginia	(229,632)	18,060,119	20,021,894	(2,519,477)	328,070
Washington State	(110,619)	<u>10,149,704</u>	<u>9,554,003</u>	(169,138)	654,220
Total		<u>\$ 299,966,277</u>	<u>\$ 299,966,277</u>		