



**STATE LOTTERY DEPARTMENT
POWER PLAY**

**REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2012 THROUGH MARCH 2013**



Commonwealth of Virginia

Auditor of Public Accounts

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Auditor of Public Accounts

P.O. Box 1295
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July 15, 2013

Members of the Virginia State 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 Department and the other member lotteries in the states of Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Texas, and Washington (referred to as the "Member Lotteries"), which operate Power Play, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Power Play: Virginia Lottery's sales and prize expense for the period April 2012 through March 2013, and the Virginia Lottery's receivable or payable as of March 2013. 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 agreed-upon 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 2012 through March 2013 and attached those as Exhibits I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Power Play draw dates from the period April 2012 through March 2013 for testing as indicated in "C", "D", and "E" below.

June 13, 2012
August 15, 2012
December 22, 2012

June 16, 2012
October 3, 2012

- C. For each Power Play draw date 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 draw date 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 draw dates 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 the Power Play'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 draw date on the "Draw Activity" report attached as Exhibit I and found them to be in agreement.

- E. For each draw date 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 Power Play 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 amounts shown as the total of the actual fixed prizes and the total of the shared 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/receivable as of March 2013 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 Power Play Prize Settlement Report as of March 2013 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 Power Play. 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 as 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

AVG/alh

Members of the Virginia State Lottery Board
July 15, 2013

POWER PLAY
VIRGINIA LOTTERY DEPARTMENT
VIRGINIA DRAW ACTIVITY
From April 2012 through March 2013

Exhibit I

<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
4/4/2012	\$ 52,022	\$ 14,119	\$ 12,940
4/7/2012	57,482	15,655	24,614
4/11/2012	55,134	13,199	19,719
4/14/2012	67,426	16,705	16,783
4/18/2012	62,028	15,449	15,502
4/21/2012	69,306	16,795	16,801
4/25/2012	67,739	16,678	17,116
4/28/2012	51,622	43,220	15,367
5/2/2012	47,135	11,800	14,384
5/5/2012	51,501	12,238	13,601
5/9/2012	47,956	11,770	85,445
5/12/2012	54,182	12,827	13,318
5/16/2012	50,811	13,677	13,457
5/19/2012	61,368	15,026	89,325
5/23/2012	56,675	13,165	13,283
5/26/2012	63,364	13,850	15,180
5/30/2012	58,454	13,985	16,703
6/2/2012	72,335	18,097	21,633
6/6/2012	71,332	17,740	24,645
6/9/2012	83,397	21,069	27,739
6/13/2012	84,971	22,916	21,794
6/16/2012	50,012	13,043	15,393
6/20/2012	44,629	10,798	13,238
6/23/2012	50,261	12,742	12,479
6/27/2012	41,691	12,193	10,406
6/30/2012	44,570	10,425	13,369
7/4/2012	42,088	11,364	11,190
7/7/2012	51,584	13,845	88,435
7/11/2012	48,753	11,715	17,078
7/14/2012	55,960	14,981	15,713
7/18/2012	57,811	16,008	17,197
7/21/2012	63,764	15,668	15,772
7/25/2012	59,813	13,738	16,180
7/28/2012	67,412	17,794	19,214
8/1/2012	70,722	17,763	17,741

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VIRGINIA DRAW ACTIVITY
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Exhibit I

<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
8/4/2012	83,138	83,324	33,992
8/8/2012	91,668	28,804	37,784
8/11/2012	117,631	58,230	30,403
8/15/2012	216,163	53,243	67,245
8/18/2012	48,773	1,010,667	89,478
8/22/2012	47,486	12,953	90,605
8/25/2012	52,201	14,394	19,239
8/29/2012	47,929	11,845	13,737
9/1/2012	58,475	14,581	17,292
9/5/2012	53,015	13,868	16,234
9/8/2012	63,840	16,187	21,227
9/12/2012	58,608	15,918	17,066
9/15/2012	68,252	16,333	20,867
9/19/2012	67,114	18,121	20,406
9/22/2012	78,673	19,511	25,130
9/26/2012	86,079	23,267	98,706
9/29/2012	53,085	14,735	21,472
10/3/2012	50,155	1,012,957	91,394
10/6/2012	51,042	13,815	16,315
10/10/2012	46,522	10,835	13,517
10/13/2012	53,225	14,139	21,231
10/17/2012	49,338	14,750	19,563
10/20/2012	56,289	16,065	17,263
10/24/2012	54,187	14,537	14,177
10/27/2012	66,839	16,202	17,323
10/31/2012	56,687	15,427	15,231
11/3/2012	70,472	51,114	21,727
11/7/2012	67,511	16,613	18,442
11/10/2012	77,636	18,020	96,233
11/14/2012	76,484	20,782	21,375
11/17/2012	96,049	22,723	97,617
11/21/2012	110,703	28,339	99,028
11/24/2012	180,939	71,864	134,932
11/28/2012	603,764	160,052	349,689
12/1/2012	55,814	15,487	16,916

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POWER PLAY
VIRGINIA LOTTERY DEPARTMENT
VIRGINIA DRAW ACTIVITY
From April 2012 through March 2013

Exhibit I

<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
12/5/2012	55,231	14,974	17,353
12/8/2012	57,971	14,698	19,850
12/12/2012	58,480	14,755	14,298
12/15/2012	56,154	14,067	21,335
12/19/2012	53,034	45,319	19,565
12/22/2012	56,000	15,699	103,819
12/26/2012	47,406	12,034	92,440
12/29/2012	54,678	12,108	15,637
1/2/2013	49,671	11,763	11,952
1/5/2013	55,901	13,799	14,085
1/9/2013	52,368	13,014	15,536
1/12/2013	56,931	16,859	95,009
1/16/2013	55,292	15,500	17,593
1/19/2013	66,174	17,997	20,533
1/23/2013	62,026	16,552	18,794
1/26/2013	65,256	16,492	18,660
1/30/2013	69,940	16,503	18,812
2/2/2013	89,284	21,200	96,678
2/6/2013	99,752	25,949	30,272
2/9/2013	53,874	14,148	18,590
2/13/2013	53,730	14,324	19,408
2/16/2013	62,070	16,129	16,077
2/20/2013	58,244	15,625	18,404
2/23/2013	66,121	17,406	102,797
2/27/2013	64,336	16,094	18,985
3/2/2013	82,546	20,126	24,921
3/6/2013	71,100	17,276	21,637
3/9/2013	85,466	22,806	26,742
3/13/2013	87,379	23,302	28,174
3/16/2013	112,796	29,154	182,041
3/20/2013	128,164	60,910	43,100
3/23/2013	219,693	55,055	59,902
3/27/2013	52,730	12,858	17,277
3/30/2013	<u>66,144</u>	<u>17,764</u>	<u>19,791</u>
Totals	<u>\$7,577,038</u>	<u>\$4,184,018</u>	<u>\$3,795,677</u>

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POWER PLAY
VIRGINIA LOTTERY DEPARTMENT
FIXED PRIZE ANALYSIS
From April 2012 through March 2013

Exhibit II

<u>State</u>	<u>Receivable (Payable)</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>	<u>Qtrly/Yrly Settlements Transfers In(Out)</u>	<u>Receivable (Payable)</u>
Georgia	\$1,271,448	\$ 2,607,449	\$ 2,834,500	\$1,967,417	(\$923,020)
Illinois	(102,603)	5,071,159	5,046,340	(565,401)	487,617
Massachusetts	(421,897)	1,361,125	2,323,563	(650,544)	(733,791)
Maryland	343,568	2,387,196	2,344,553	61,281	324,930
Michigan	(663,780)	2,744,925	2,901,829	(1,021,885)	201,201
New Jersey	(158,540)	2,955,538	4,962,725	(664,315)	(1,501,412)
New York	(250,195)	6,449,915	5,820,959	(860,491)	1,239,252
Ohio	519,761	5,196,527	5,433,162	(50,993)	334,119
POWER BALL					
Texas	(470,008)	14,284,476	13,303,385	(711,838)	1,222,921
Virginia	150,369	4,184,018	3,795,677	797,386	(258,676)
Washington State	(218,123)	<u>2,679,149</u>	<u>1,154,784</u>	1,699,383	(393,141)
Totals		<u>\$ 49,921,477</u>	<u>\$ 49,921,477</u>		