



VIRGINIA LOTTERY
MEGAPLIER

REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2017 THROUGH MARCH 2018

Auditor of Public Accounts
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May 31, 2018

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 Georgia, Illinois, Massachusetts, Maryland, 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 2017 through March 2018, and the Virginia Lottery's receivable or payable as of March 2018. Virginia Lottery is responsible for its records of the financial information associated with Megaplier. 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 2017 through March 2018, 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 2017 through March 2018 for testing as indicated in "C," "D," and "E" below.

May 16, 2017
June 13, 2017
August 15, 2017

December 15, 2017
March 2, 2018

- 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 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 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.
- I. We compared the balance listed as the Virginia Lottery’s payable as of March 2018 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 2018 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 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

AVC/clj

**Megaplier
Virginia Lottery Draw Activity
From April 2017 through March 2018**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
4/04/2017	\$ 76,767	\$ 36,324	\$ 37,144	\$ -	\$ -
4/07/2017	81,030	36,824	47,434	-	-
4/11/2017	75,731	34,284	33,355	-	-
4/14/2017	83,061	55,096	549,246	-	-
4/18/2017	78,338	20,846	17,535	-	-
4/21/2017	84,737	9,229	11,730	-	-
4/25/2017	80,072	25,338	29,676	-	-
4/28/2017	86,527	33,648	38,455	-	-
5/02/2017	74,125	20,499	24,492	-	-
5/05/2017	79,556	30,906	33,346	-	-
5/09/2017	76,223	34,068	33,075	-	-
5/12/2017	80,241	24,954	25,832	-	-
5/16/2017	77,826	29,852	32,965	-	-
5/19/2017	82,237	22,106	32,747	-	-
5/23/2017	78,963	13,970	9,802	-	-
5/26/2017	85,998	20,906	272,144	-	-
5/30/2017	78,599	37,348	36,493	-	-
6/02/2017	95,958	20,344	21,204	-	-
6/06/2017	93,112	31,892	24,206	-	-
6/09/2017	101,357	56,080	55,177	-	-
6/13/2017	104,174	20,462	24,562	-	-
6/16/2017	106,825	50,296	55,373	-	-
6/20/2017	104,170	23,312	25,162	-	-
6/23/2017	110,332	12,150	12,057	-	-
6/27/2017	104,913	32,106	33,119	-	-
6/30/2017	115,856	66,780	53,553	-	-
7/04/2017	105,946	34,152	37,801	-	-
7/07/2017	116,958	86,836	64,580	-	-
7/11/2017	121,930	18,685	14,891	-	-
7/14/2017	124,763	36,990	43,458	-	-
7/18/2017	126,708	41,862	43,232	-	-
7/21/2017	132,264	40,887	46,237	-	-
7/25/2017	132,565	31,546	29,451	-	-
7/28/2017	139,487	31,890	33,686	-	-
8/01/2017	156,493	96,224	83,656	-	-
8/04/2017	180,619	83,864	90,564	-	-
8/08/2017	224,299	23,631	24,032	-	-
8/11/2017	292,136	132,300	639,585	-	-

**Megaplier
Virginia Lottery Draw Activity
From April 2017 through March 2018**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
8/15/2017	97,190	12,828	12,281	-	-
8/18/2017	105,947	33,118	23,936	-	-
8/22/2017	108,484	39,918	40,297	-	-
8/25/2017	107,322	46,088	49,527	-	-
8/29/2017	88,859	22,176	23,835	-	-
9/01/2017	101,586	42,568	46,334	-	-
9/05/2017	89,954	2,016,680	278,647	-	-
9/08/2017	99,865	23,236	22,643	-	-
9/12/2017	92,491	30,366	30,174	-	-
9/15/2017	97,191	30,711	31,537	-	-
9/19/2017	94,570	9,814	12,720	-	-
9/22/2017	103,370	48,360	554,489	-	-
9/26/2017	77,862	38,688	26,052	-	-
9/29/2017	86,796	39,196	42,534	-	-
10/3/2017	82,989	66,528	51,622	-	-
10/06/2017	88,711	37,320	39,292	-	-
10/10/2017	81,333	33,608	36,431	-	-
10/13/2017	88,976	12,275	19,531	-	-
10/17/2017	74,361	30,488	33,698	-	-
10/20/2017	79,425	8,682	8,803	-	-
10/24/2017	74,962	21,885	25,799	-	-
10/27/2017	78,729	40,932	541,751	-	-
10/31/2017	56,109	29,898	36,653	-	-
11/03/2017	64,243	10,720	10,836	-	-
11/07/2017	60,115	30,084	38,908	-	-
11/10/2017	64,765	7,630	8,987	-	-
11/14/2017	60,600	21,000	19,867	-	-
11/17/2017	65,603	30,120	407,337	-	-
11/21/2017	64,943	29,540	31,651	-	-
11/24/2017	62,389	15,864	14,799	-	-
11/28/2017	65,109	11,972	11,129	-	-
12/01/2017	73,101	31,914	407,454	-	-
12/05/2017	70,087	22,368	29,205	-	-
12/08/2017	72,106	8,320	8,526	-	-
12/12/2017	71,484	18,856	17,622	-	-
12/15/2017	81,673	33,858	32,895	-	-
12/19/2017	81,349	22,944	23,440	-	-
12/22/2017	100,598	39,090	41,259	-	-

**Megaplier
Virginia Lottery Draw Activity
From April 2017 through March 2018**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
12/26/2017	88,841	42,510	398,439	-	-
12/29/2017	164,080	38,096	36,541	-	-
1/02/2018	187,147	77,934	83,982	-	-
1/05/2018	237,274	76,640	82,615	-	-
1/09/2018	71,795	17,772	18,273	-	-
1/12/2018	74,232	26,472	28,055	-	-
1/16/2018	69,562	19,108	20,559	-	-
1/19/2018	68,046	19,516	21,069	-	-
1/23/2018	65,110	41,640	49,899	-	-
1/26/2018	70,919	32,370	37,367	-	-
1/30/2018	65,638	17,708	19,362	-	-
2/02/2018	77,972	76,352	44,738	-	-
2/06/2018	72,762	24,728	20,221	-	-
2/09/2018	77,045	22,044	22,796	-	-
2/13/2018	73,636	35,394	39,460	-	-
2/16/2018	80,651	19,204	20,853	-	-
2/20/2018	75,377	27,236	28,442	-	-
2/23/2018	85,253	57,564	437,009	-	-
2/27/2018	85,717	25,396	26,610	-	-
3/02/2018	92,560	75,978	52,297	-	-
3/06/2018	94,848	50,992	70,767	-	-
3/09/2018	105,290	43,674	46,928	-	-
3/13/2018	109,265	59,968	60,974	-	-
3/16/2018	132,396	46,284	299,924	-	-
3/20/2018	128,315	39,884	40,748	-	-
3/23/2018	140,657	41,392	45,178	-	-
3/27/2018	156,999	59,792	53,828	-	-
3/30/2018	296,683	90,140	94,129	-	-
Total	\$10,314,213	\$5,713,918	\$8,014,621	\$ -	\$ -

Megaplier
Virginia Lottery Fixed Prize Analysis
From April 2017 through March 2018

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Georgia	\$(51,016)	\$ 2,279,732	\$ 5,015,599	\$ (1,619,027)	\$(1,167,856)
Illinois	(164,156)	10,391,106	7,311,692	1,512,907	1,402,351
Massachusetts	(39,796)	4,652,198	3,589,271	(1,115,970)	2,139,101
Maryland	(72,536)	2,180,939	4,383,110	(1,423,415)	(851,292)
Michigan	(141,277)	6,765,338	5,845,924	2,071,273	(1,293,136)
New Jersey	(113,865)	6,560,923	7,341,403	(2,323,237)	1,428,892
New York	(141,800)	12,944,593	10,491,978	2,626,616	(315,801)
Ohio	(112,020)	4,377,033	9,325,298	(3,108,602)	(1,951,683)
Virginia	(127,143)	5,713,918	8,014,621	(656,181)	(1,771,665)
Washington	963,609	8,403,451	2,950,335	4,035,636	2,381,089
Total	\$ -	\$64,269,231	\$64,269,231	\$ -	\$ -