



VIRGINIA LOTTERY POWERBALL

REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PERIOD

APRIL 1, 2019 THROUGH MARCH 31, 2020

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 29, 2020

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 states of California, Georgia, Illinois, Massachusetts, Maryland, Michigan, New Jersey, New York, Ohio, and Washington (referred to as the "Member Lotteries"), which operate **Powerball**, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Powerball: Virginia Lottery's sales and prize expense for the period April 1, 2019, through March 31, 2020, and the Virginia Lottery's receivable as of March 31, 2020. Virginia Lottery is responsible for its records of the financial information associated with Powerball. 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 1, 2019, through March 31, 2020, and attached those as Exhibit I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Powerball drawings from the period April 1, 2019, through March 31, 2020, for testing as indicated in "C," "D," and "E" below.

April 13, 2019
August 24, 2019
February 12, 2020

February 29, 2020
March 14, 2020

- 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 Virginia Lottery 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 Powerball’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 Powerball Prize Settlement Reports and found them to be in agreement.
- F. For the period identified, we randomly selected two months and obtained the “Expired Prize Settlement Report” distributed by the Virginia Lottery. For the two months selected, we obtained from the ICS the actual fixed prizes awarded and the prizes unclaimed. We compared the ICS 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 purchases of investments 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 31, 2020, 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 Powerball Prize Settlement Report as of March 31, 2020, and found them to be in agreement.

This agreed-upon procedures engagement was conducted 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.

Martha S. Mavredes
AUDITOR OF PUBLIC ACCOUNTS

KJS/clj

Powerball
Virginia Lottery Draw Activity
From April 2019 through March 2020

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/3/2019	\$ 697,238	\$ 161,553	\$ 178,267	\$ -	\$ -
	4/6/2019	767,662	118,736	159,515	-	-
	4/10/2019	668,222	61,319	80,201	-	-
	4/13/2019	792,914	126,007	101,431	-	-
	4/17/2019	709,636	110,518	96,094	-	-
	4/20/2019	826,748	169,048	88,570	-	-
	4/24/2019	751,932	119,749	95,500	-	-
	4/27/2019	854,850	225,338	178,335	-	-
	5/1/2019	783,076	117,327	102,394	-	-
	5/4/2019	897,602	181,026	186,878	-	-
	5/8/2019	830,210	77,111	94,228	-	-
	5/11/2019	946,148	82,669	106,482	-	-
	5/15/2019	873,218	81,678	94,516	-	-
	5/18/2019	972,626	133,960	102,788	-	-
	5/22/2019	906,192	86,170	106,160	-	-
	5/25/2019	1,054,912	190,137	184,561	-	-
	5/29/2019	1,012,114	102,595	190,987	-	-
PA	6/1/2019	1,357,584	174,083	158,612	-	-
	6/5/2019	657,036	60,762	84,511	-	-
	6/8/2019	712,620	59,453	115,468	-	-
	6/12/2019	606,338	58,826	78,478	-	-
	6/15/2019	701,378	62,845	67,620	-	-
	6/19/2019	651,198	56,887	76,152	-	-
	6/22/2019	770,854	71,832	172,334	-	-
	6/26/2019	715,504	62,288	89,693	-	-
	6/29/2019	814,156	74,366	93,561	-	-
	7/3/2019	779,156	64,093	85,829	-	-
	7/6/2019	786,790	66,788	196,401	-	-
	7/10/2019	754,168	73,237	198,293	-	-
	7/13/2019	857,446	72,345	79,753	-	-
	7/17/2019	536,624	50,161	59,133	-	-
	7/20/2019	603,756	52,043	73,051	-	-
	7/24/2019	539,710	52,499	57,471	-	-
	7/27/2019	645,972	1,108,376	206,060	-	-
	7/31/2019	601,998	103,406	74,325	-	-
	8/3/2019	754,262	172,203	104,087	-	-
	8/7/2019	667,376	63,575	176,753	-	-

**Powerball
Virginia Lottery Draw Activity
From April 2019 through March 2020**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/10/2019	774,442	122,037	91,653	-	-
	8/14/2019	709,076	66,304	75,466	-	-
PA	8/17/2019	795,712	66,204	180,689	-	-
	8/21/2019	523,084	47,542	52,794	-	-
	8/24/2019	605,618	103,859	86,583	-	-
	8/28/2019	533,314	44,247	45,220	-	-
	8/31/2019	645,604	105,355	74,871	-	-
	9/4/2019	561,142	1,099,534	164,637	-	-
	9/7/2019	586,618	52,421	169,543	-	-
	9/11/2019	517,326	50,803	65,647	-	-
	9/14/2019	609,860	110,492	73,954	-	-
	9/18/2019	532,038	95,265	56,258	-	-
	9/21/2019	619,670	52,624	69,395	-	-
	9/25/2019	501,608	41,025	62,943	-	-
	9/28/2019	585,738	54,123	63,872	-	-
	10/2/2019	545,538	110,404	84,398	-	-
	10/5/2019	633,310	58,761	57,856	-	-
	10/9/2019	572,414	48,877	69,796	-	-
	10/12/2019	656,982	104,323	97,142	-	-
	10/16/2019	635,112	111,439	170,896	-	-
	10/19/2019	727,144	116,820	81,794	-	-
	10/23/2019	658,524	55,844	170,825	-	-
	10/26/2019	748,270	69,832	78,145	-	-
	10/30/2019	677,960	57,730	69,002	-	-
	11/2/2019	775,300	1,065,979	191,613	-	-
	11/6/2019	499,522	42,851	47,972	-	-
	11/9/2019	561,608	96,854	189,751	-	-
	11/13/2019	490,362	49,927	156,881	-	-
	11/16/2019	577,558	49,462	158,631	-	-
	11/20/2019	518,540	48,722	62,964	-	-
	11/23/2019	609,864	51,235	56,590	-	-
	11/27/2019	648,432	55,125	81,204	-	-
	11/30/2019	638,006	52,922	68,478	-	-
	12/4/2019	619,244	102,863	83,225	-	-
	12/7/2019	695,600	59,506	73,812	-	-
	12/11/2019	636,116	60,110	77,529	-	-
	12/14/2019	744,302	69,894	186,485	-	-

**Powerball
Virginia Lottery Draw Activity
From April 2019 through March 2020**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/18/2019	688,952	64,773	174,321	-	-
	12/21/2019	814,188	119,685	95,155	-	-
	12/25/2019	878,600	76,739	395,289	-	-
	12/28/2019	911,880	127,398	110,638	-	-
	1/1/2020	1,004,626	85,629	100,229	-	-
	1/4/2020	999,382	155,307	134,615	-	-
	1/8/2020	926,948	79,554	120,340	-	-
	1/11/2020	1,048,856	104,490	216,913	-	-
	1/15/2020	1,054,012	93,078	134,451	-	-
	1/18/2020	1,248,284	107,859	138,768	-	-
	1/22/2020	1,216,198	1,110,104	225,225	-	-
	1/25/2020	1,443,334	127,214	152,518	-	-
PA	1/29/2020	1,519,554	1,185,845	332,359	-	-
	2/1/2020	649,782	111,589	72,313	-	-
	2/5/2020	542,424	46,656	52,038	-	-
	2/8/2020	601,274	52,550	63,191	-	-
MI	2/12/2020	541,284	44,454	60,093	-	-
	2/15/2020	581,366	55,941	60,056	-	-
	2/19/2020	537,742	50,841	80,592	-	-
	2/22/2020	616,112	110,202	72,513	-	-
	2/26/2020	575,634	47,639	69,707	-	-
	2/29/2020	667,844	112,746	83,757	-	-
	3/4/2020	614,358	50,739	76,861	-	-
	3/7/2020	720,714	60,405	82,695	-	-
	3/11/2020	640,812	55,867	70,266	-	-
	3/14/2020	712,336	67,237	96,834	-	-
	3/18/2020	606,040	55,612	158,448	-	-
	3/21/2020	642,820	111,485	71,590	-	-
	3/25/2020	550,724	47,176	152,558	-	-
	3/28/2020	613,184	58,484	72,401	-	-
Total		\$75,999,048	\$13,933,622	\$11,769,740	\$ -	\$ -

Powerball
Virginia Lottery Fixed Prize Analysis
From April 2019 through March 2020

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Georgia	\$ (287,357)	\$ 14,737,158	\$ 14,522,158	\$ (40,830)	\$ (31,527)
Illinois	859,611	13,244,815	14,842,165	1,133,736	(1,871,475)
Massachusetts	(1,696,188)	11,983,586	11,930,587	(2,272,981)	629,792
Maryland	956,361	11,879,327	11,441,838	441,874	951,976
Michigan	(1,168,241)	13,172,920	14,806,703	(624,062)	(2,177,962)
New Jersey	1,977,848	18,565,699	21,017,877	2,598,414	(3,072,744)
New York	597,738	10,318,969	10,218,558	698,149	-
Ohio	(424,919)	14,806,444	12,913,697	(751,353)	2,219,181
Virginia	(259,558)	13,933,622	11,769,740	(516,611)	2,420,935
Washington	(555,295)	7,599,302	6,778,519	(666,336)	931,824
Total	\$ -	\$130,241,842	\$130,241,842	\$ -	\$ -