



VIRGINIA LOTTERY POWERBALL

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

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

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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 states of California, Georgia, Illinois, Massachusetts, Maryland, Michigan, New Jersey, New York, Ohio, Texas, 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 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 Powerball. 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 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 2013 through March 2014 for testing as indicated in "C," "D," and "E" below.

October 9, 2013
December 18, 2013
March 29, 2014

December 11, 2013
March 26, 2014

- 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 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 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 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 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 Powerball 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 Powerball. 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

**POWERBALL
VIRGINIA LOTTERY
VIRGINIA DRAW ACTIVITY
From April 2013 to March 2014**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/3/2013	\$ 695,754	\$ 62,569	\$ 213,050	-	-
	4/6/2013	829,344	67,888	142,845	-	-
	4/10/2013	728,786	50,868	53,061	-	-
	4/13/2013	861,336	73,596	134,940	-	-
	4/17/2013	783,396	1,065,406	192,554	-	-
	4/20/2013	925,390	1,088,966	336,925	-	-
	4/24/2013	962,830	81,706	76,534	-	-
	4/27/2013	1,134,882	85,132	211,213	-	-
	5/1/2013	1,144,214	116,743	148,447	-	-
	5/4/2013	1,374,684	118,256	231,454	-	-
	5/8/2013	1,621,132	129,435	239,376	-	-
	5/11/2013	1,997,296	169,813	393,598	-	-
	5/15/2013	4,342,052	1,331,422	1,030,525	-	-
PB	5/18/2013	12,873,904	2,140,754	2,077,869	-	-
	5/22/2013	711,788	49,620	246,484	-	-
PB	5/25/2013	850,834	84,610	435,560	-	-
TX	5/29/2013	674,270	55,622	117,930	-	-
	6/1/2013	810,470	55,388	134,834	-	-
	6/5/2013	725,612	58,493	53,517	-	-
	6/8/2013	871,964	83,365	80,514	-	-
	6/12/2013	766,870	53,022	124,154	-	-
	6/15/2013	898,414	81,916	63,867	-	-
	6/19/2013	891,856	77,439	71,223	-	-
PB	6/22/2013	1,034,724	88,975	210,617	-	-
	6/26/2013	633,586	45,753	49,267	-	-
	6/29/2013	756,064	64,206	56,299	-	-
	7/3/2013	707,764	54,009	125,866	-	-
	7/6/2013	752,470	70,282	62,526	-	-
	7/10/2013	747,988	53,128	191,460	-	-
	7/13/2013	903,940	68,661	208,409	-	-
	7/17/2013	905,896	68,930	75,027	-	-
	7/20/2013	1,094,072	91,717	210,391	-	-
	7/24/2013	1,098,688	107,421	152,217	-	-
	7/27/2013	1,370,034	110,410	168,035	-	-
	7/31/2013	1,810,042	149,937	200,403	-	-
	8/3/2013	2,670,540	197,733	534,965	-	-
NJ/PB	8/7/2013	7,324,266	1,548,551	1,437,047	-	-

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State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/10/2013	723,192	68,422	67,054	-	-
	8/14/2013	735,158	1,075,191	125,878	-	-
	8/17/2013	872,928	62,855	71,145	-	-
	8/21/2013	807,582	67,445	73,459	-	-
	8/24/2013	965,860	76,192	345,491	-	-
	8/28/2013	980,064	90,137	161,868	-	-
	8/31/2013	1,197,926	98,940	221,619	-	-
	9/4/2013	1,125,144	115,305	157,668	-	-
	9/7/2013	1,482,754	137,949	293,274	-	-
	9/11/2013	1,566,096	136,895	286,631	-	-
	9/14/2013	2,212,490	180,971	441,197	-	-
PB	9/18/2013	4,342,732	380,835	644,348	-	-
	9/21/2013	726,848	65,767	193,216	-	-
	9/25/2013	688,036	62,760	124,937	-	-
	9/28/2013	796,552	70,671	68,369	-	-
	10/2/2013	746,320	68,846	196,279	-	-
	10/5/2013	881,638	83,540	86,388	-	-
	10/9/2013	899,536	1,076,361	264,941	-	-
	10/12/2013	1,053,042	77,544	144,370	-	-
	10/16/2013	1,043,724	75,821	141,882	-	-
	10/19/2013	1,193,442	101,463	159,294	-	-
CA	10/23/2013	1,294,786	132,747	447,745	-	-
	10/26/2013	743,622	53,253	259,580	-	-
	10/30/2013	653,442	49,595	49,885	-	-
	11/2/2013	788,342	91,609	208,278	-	-
	11/6/2013	700,722	66,707	66,254	-	-
	11/9/2013	801,556	64,621	127,726	-	-
	11/13/2013	787,100	58,406	63,028	-	-
NY	11/16/2013	924,412	71,313	200,196	-	-
	11/20/2013	590,540	60,121	120,705	-	-
	11/23/2013	693,820	52,886	121,810	-	-
	11/27/2013	659,676	68,300	53,544	-	-
	11/30/2013	686,314	50,219	52,184	-	-
	12/4/2013	702,396	87,536	63,487	-	-
	12/7/2013	908,718	80,388	348,487	-	-
MA/PB	12/11/2013	845,652	99,652	263,176	-	-

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VIRGINIA DRAW ACTIVITY
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Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/14/2013	865,280	1,069,023	135,830	-	-
	12/18/2013	852,018	60,414	67,112	-	-
	12/21/2013	705,092	63,530	58,340	-	-
PB	12/25/2013	653,120	43,847	50,388	-	-
	12/28/2013	636,424	57,614	189,559	-	-
	1/1/2014	610,982	43,877	49,230	-	-
	1/4/2014	665,720	67,364	123,500	-	-
	1/8/2014	625,280	42,989	117,028	-	-
	1/11/2014	711,078	47,474	118,134	-	-
	1/15/2014	703,054	70,316	199,872	-	-
	1/18/2014	851,680	66,140	201,593	-	-
	1/22/2014	717,934	61,607	134,990	-	-
	1/25/2014	894,658	63,590	129,894	-	-
	1/29/2014	812,098	60,150	234,656	-	-
	2/1/2014	1,087,156	1,128,222	398,191	-	-
	2/5/2014	1,116,176	80,417	149,703	-	-
	2/8/2014	1,346,822	100,419	331,962	-	-
	2/12/2014	1,451,440	112,229	220,195	-	-
	2/15/2014	1,636,130	189,056	460,873	-	-
CA	2/19/2014	4,709,922	366,973	735,434	-	-
	2/22/2014	643,706	52,781	122,276	-	-
	2/26/2014	605,814	57,205	51,608	-	-
CA	3/1/2014	737,228	93,612	73,958	-	-
	3/5/2014	581,232	1,062,259	133,422	-	-
	3/8/2014	687,846	60,857	209,830	-	-
	3/12/2014	631,426	1,048,876	126,904	-	-
	3/15/2014	760,076	68,632	63,486	-	-
	3/19/2014	737,408	55,607	140,292	-	-
PB	3/22/2014	806,500	68,272	227,585	-	-
	3/26/2014	592,052	42,621	122,020	-	-
	3/29/2014	711,308	59,607	63,597	-	-
Total		<u>\$ 125,255,974</u>	<u>\$ 21,628,585</u>	<u>\$ 22,649,858</u>		

**POWERBALL
VIRGINIA LOTTERY**

Exhibit II

FIXED PRIZE ANALYSIS

From April 2013 to March 2014

State	Receivable (Payable)	Actual Fixed Prizes	Actual Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In (Out)	Receivable (Payable)
California	\$ -	\$ -	\$ -	\$ -	\$ -
Georgia	(213,258)	36,841,689	27,525,065	9,851,079	(747,713)
Illinois	2,185,455	31,729,032	33,879,405	855,636	(820,554)
Massachusetts	(1,198,798)	22,392,291	22,211,159	(1,515,130)	497,464
Maryland	1,054,579	23,740,968	21,173,905	3,223,501	398,141
Michigan	(1,398,453)	27,296,807	26,624,774	(28,698)	(697,722)
New Jersey	565,905	47,304,754	48,553,592	(1,516,834)	833,901
New York	(2,347,789)	85,659,932	82,072,683	1,204,664	34,796
Ohio	1,827,968	21,150,284	24,556,592	(976,662)	(601,678)
POWERBALL					
Texas	(903,138)	40,545,070	46,570,614	(6,928,682)	-
Virginia	1,023,728	21,628,585	22,649,858	(1,396,794)	1,399,249
Washington State	(596,199)	<u>9,219,750</u>	<u>11,691,515</u>	(2,772,080)	(295,884)
Total		<u>\$ 367,509,162</u>	<u>\$ 367,509,162</u>		