



VIRGINIA LOTTERY
POWERBALL

REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2016 THROUGH MARCH 2017

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Members of the Virginia Lottery Board
900 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 2016 through March 2017, and the Virginia Lottery's receivable or payable as of March 2017. 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 2016 through March 2017, 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 2016 through March 2017 for testing as indicated in "C," "D," and "E" below.

April 9, 2016
May 25, 2016
March 25, 2017

May 4, 2016
November 2, 2016

- 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 payable as of March 2017 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 2017 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/alh

Powerball
Virginia Lottery Draw Activity
From April 2016 through March 2017

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/02/2016	\$ 807,466	\$ 126,453	\$ 108,365	\$ -	\$ -
	4/06/2016	747,524	62,948	147,340	-	-
	4/09/2016	831,964	76,635	175,053	-	-
	4/13/2016	797,770	64,422	156,572	-	-
	4/16/2016	959,848	142,045	205,177	-	-
	4/20/2016	954,516	187,169	105,304	-	-
	4/23/2016	1,070,126	152,691	205,898	-	-
	4/27/2016	1,074,434	95,880	102,793	-	-
	4/30/2016	1,371,116	224,314	315,205	-	-
	5/04/2016	2,069,996	292,483	327,640	-	-
NJ	5/07/2016	3,760,032	1,392,046	860,919	-	-
	5/11/2016	566,546	45,197	63,212	-	-
	5/14/2016	645,352	59,883	72,168	-	-
	5/18/2016	582,584	57,207	157,725	-	-
	5/21/2016	667,730	120,727	200,260	-	-
	5/25/2016	588,346	50,440	52,238	-	-
	5/28/2016	670,098	60,583	89,817	-	-
	6/01/2016	651,588	110,755	163,018	-	-
	6/04/2016	754,992	115,758	79,162	-	-
	6/08/2016	685,480	105,153	72,538	-	-
	6/11/2016	757,780	77,906	166,158	-	-
	6/15/2016	717,626	119,474	175,082	-	-
	6/18/2016	810,248	78,655	257,966	-	-
	6/22/2016	773,596	68,263	96,129	-	-
	6/25/2016	983,816	84,611	189,185	-	-
	6/29/2016	986,448	1,088,260	193,199	-	-
	7/02/2016	1,327,724	170,683	164,471	-	-
	7/06/2016	1,372,158	118,086	146,085	-	-
	7/09/2016	1,492,488	137,803	349,000	-	-
	7/13/2016	1,255,190	119,544	228,192	-	-
	7/16/2016	1,392,832	1,121,802	215,269	-	-
	7/20/2016	1,429,160	182,930	217,513	-	-
	7/23/2016	1,632,886	165,379	188,275	-	-
	7/27/2016	2,487,822	1,259,330	413,616	-	-
PB	7/30/2016	3,378,522	682,047	800,153	-	-
	8/03/2016	665,624	108,506	83,164	-	-
	8/06/2016	737,864	69,541	80,233	-	-
	8/10/2016	663,964	61,673	68,205	-	-

Powerball
Virginia Lottery Draw Activity
From April 2016 through March 2017

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/13/2016	768,632	119,331	170,580	-	-
	8/17/2016	697,420	62,411	64,015	-	-
	8/20/2016	837,034	170,311	183,621	-	-
	8/24/2016	762,696	113,558	167,785	-	-
	8/27/2016	864,754	70,226	83,764	-	-
	8/31/2016	790,420	75,835	81,492	-	-
	9/03/2016	920,862	79,312	99,539	-	-
	9/07/2016	810,884	67,260	157,032	-	-
	9/10/2016	983,090	88,586	101,379	-	-
	9/14/2016	924,746	1,135,848	217,459	-	-
GA	9/17/2016	1,045,286	138,119	110,154	-	-
	9/21/2016	542,866	46,466	59,625	-	-
	9/24/2016	630,870	53,334	55,158	-	-
	9/28/2016	565,754	47,858	51,273	-	-
	10/01/2016	681,522	55,932	61,741	-	-
	10/05/2016	612,140	54,917	72,869	-	-
	10/08/2016	675,854	60,536	82,119	-	-
	10/12/2016	653,038	102,509	75,036	-	-
	10/15/2016	778,976	213,301	84,487	-	-
	10/19/2016	713,842	58,265	68,803	-	-
	10/22/2016	814,312	66,936	89,662	-	-
	10/26/2016	759,112	62,693	80,237	-	-
	10/29/2016	864,238	72,217	173,290	-	-
	11/02/2016	864,856	181,962	106,237	-	-
	11/05/2016	1,025,178	90,316	107,996	-	-
	11/09/2016	964,670	84,532	109,590	-	-
	11/12/2016	1,077,368	193,641	196,809	-	-
	11/16/2016	1,101,944	111,477	131,260	-	-
	11/19/2016	1,404,428	119,480	216,880	-	-
	11/23/2016	1,688,952	157,819	256,771	-	-
PB	11/26/2016	2,313,260	251,706	244,249	-	-
	11/30/2016	570,178	113,488	87,889	-	-
	12/03/2016	675,874	57,573	166,993	-	-
	12/07/2016	605,396	47,252	49,233	-	-
	12/10/2016	699,258	110,649	69,923	-	-
	12/14/2016	723,454	62,767	83,378	-	-
PB	12/17/2016	797,628	76,775	185,107	-	-
	12/21/2016	567,308	55,482	56,720	-	-

Powerball
Virginia Lottery Draw Activity
From April 2016 through March 2017

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/24/2016	763,188	62,938	106,089	-	-
	12/28/2016	566,704	52,268	56,251	-	-
	12/31/2016	843,710	75,983	98,279	-	-
	1/04/2017	599,584	56,426	59,874	-	-
	1/07/2017	593,172	57,710	144,706	-	-
	1/11/2017	621,890	53,589	81,623	-	-
	1/14/2017	791,892	77,825	100,603	-	-
	1/18/2017	688,286	65,370	150,060	-	-
	1/21/2017	809,938	69,175	169,237	-	-
	1/25/2017	741,988	59,599	79,983	-	-
	1/28/2017	906,342	131,279	250,044	-	-
	2/01/2017	978,468	91,860	95,959	-	-
	2/04/2017	1,157,590	152,248	199,628	-	-
	2/08/2017	1,146,006	107,188	195,817	-	-
	2/11/2017	1,332,818	218,653	165,612	-	-
	2/15/2017	1,508,086	134,780	373,029	-	-
	2/18/2017	1,970,938	278,878	449,893	-	-
PB	2/22/2017	3,679,572	378,967	738,957	-	-
	2/25/2017	673,712	57,978	72,531	-	-
	3/01/2017	624,446	55,845	83,307	-	-
	3/04/2017	726,308	115,493	93,166	-	-
	3/08/2017	663,634	60,152	83,842	-	-
	3/11/2017	822,274	79,817	84,397	-	-
	3/15/2017	736,736	59,488	157,443	-	-
	3/18/2017	869,464	82,714	93,194	-	-
PB	3/22/2017	792,542	77,621	220,939	-	-
	3/25/2017	645,678	52,816	85,751	-	-
	3/29/2017	555,578	54,826	75,920	-	-
Total		\$102,711,900	\$16,809,448	\$16,718,588	\$ -	\$ -

Powerball
Virginia Lottery Fixed Prize Analysis
From April 2016 through March 2017

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/Out	Receivable (Payable)
Georgia	\$ 93,286	\$ 24,886,024	\$ 19,768,993	\$2,682,870	\$2,527,447
Illinois	122,296	19,876,252	22,789,101	(2,266,359)	(524,194)
Massachusetts	(842,378)	17,904,328	18,206,514	(918,100)	(226,464)
Maryland	-	6,771,688	6,319,768	-	451,920
Michigan	(987,431)	17,540,985	21,140,340	(2,621,848)	(1,964,938)
New Jersey	770,024	36,046,158	33,497,953	2,267,030	1,051,199
New York	918,815	58,228,952	55,084,725	1,940,800	2,122,242
Ohio	(884,684)	14,743,966	19,470,345	(3,482,111)	(2,128,952)
Virginia	1,329,854	16,809,448	16,718,588	2,645,253	(1,224,539)
Washington	(519,782)	9,329,190	9,140,664	(247,535)	(83,721)
Total	\$ -	\$222,136,991	\$222,136,991	\$ -	\$ -