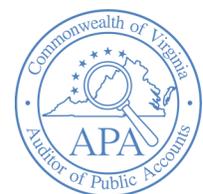




# VIRGINIA LOTTERY MEGAPLIER

## REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PERIOD APRIL 2018 THROUGH MARCH 2019

Auditor of Public Accounts  
Martha S. Mavredes, CPA  
[www.apa.virginia.gov](http://www.apa.virginia.gov)  
(804) 225-3350





# Commonwealth of Virginia

*Auditor of Public Accounts*

Martha S. Mavredes, CPA  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

June 13, 2019

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 2018 through March 2019, and the Virginia Lottery's receivable or payable as of March 2019. 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 2018 through March 2019, 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 2018 through March 2019 for testing as indicated in "C," "D," and "E" below.

April 20, 2018  
August 14, 2018  
October 12, 2018

December 11, 2018  
February 1, 2019

- 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 2019 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 2019 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

KJS/vks

**Megaplier  
Virginia Lottery Draw Activity  
From April 2018 through March 2019**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
4/3/2018	\$ 78,799	\$ 12,408	\$ 12,973	\$ -	\$ -
4/6/2018	79,779	32,058	29,578	-	-
4/10/2018	72,433	8,630	10,819	-	-
4/13/2018	75,569	49,776	39,694	-	-
4/17/2018	69,081	26,550	25,601	-	-
4/20/2018	74,832	13,456	13,039	-	-
4/24/2018	70,237	23,044	27,788	-	-
4/27/2018	79,458	14,442	13,714	-	-
5/1/2018	77,679	37,278	45,890	-	-
5/4/2018	82,438	64,788	807,765	-	-
5/8/2018	64,800	11,906	12,623	-	-
5/11/2018	68,020	15,268	17,574	-	-
5/15/2018	63,813	6,700	9,597	-	-
5/18/2018	67,609	10,324	12,597	-	-
5/22/2018	63,069	21,732	25,443	-	-
5/25/2018	70,674	25,674	29,278	-	-
5/29/2018	63,074	36,824	20,248	-	-
6/1/2018	76,075	19,584	20,277	-	-
6/5/2018	74,472	11,206	11,368	-	-
6/8/2018	78,000	12,254	14,073	-	-
6/12/2018	74,703	21,922	24,176	-	-
6/15/2018	80,670	25,036	137,733	-	-
6/19/2018	76,458	21,216	25,289	-	-
6/22/2018	83,612	23,866	15,027	-	-
6/26/2018	89,111	13,146	13,272	-	-
6/29/2018	99,597	40,302	40,032	-	-
7/3/2018	103,165	13,118	14,562	-	-
7/6/2018	104,936	26,772	30,792	-	-
7/10/2018	117,445	44,920	39,538	-	-
7/13/2018	140,571	22,094	21,848	-	-
7/17/2018	135,381	84,608	84,111	-	-
7/20/2018	208,820	31,222	32,613	-	-
7/24/2018	326,162	108,308	374,252	-	-
7/27/2018	74,414	21,692	18,123	-	-
7/31/2018	71,958	12,368	12,967	-	-
8/3/2018	76,974	11,976	11,868	-	-
8/7/2018	68,107	39,976	51,320	-	-
8/10/2018	71,820	105,400	74,860	-	-
8/14/2018	69,581	11,732	12,392	-	-

**Megaplier  
Virginia Lottery Draw Activity  
From April 2018 through March 2019**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
8/17/2018	74,026	12,960	14,901	-	-
8/21/2018	74,172	47,200	30,850	-	-
8/24/2018	81,139	14,774	16,969	-	-
8/28/2018	77,785	25,484	21,713	-	-
8/31/2018	86,050	27,876	25,198	-	-
9/4/2018	78,805	46,652	36,028	-	-
9/7/2018	86,440	13,912	15,245	-	-
9/11/2018	85,437	10,316	11,148	-	-
9/14/2018	90,226	45,102	51,033	-	-
9/18/2018	88,552	11,104	12,852	-	-
9/21/2018	95,200	61,920	53,942	-	-
9/25/2018	104,505	15,954	16,701	-	-
9/28/2018	117,149	57,664	37,568	-	-
10/2/2018	121,345	39,060	44,265	-	-
10/5/2018	151,976	24,606	25,367	-	-
10/9/2018	168,581	46,948	53,407	-	-
10/12/2018	222,648	80,044	79,456	-	-
10/16/2018	412,239	259,480	274,921	-	-
10/19/2018	1,010,157	195,384	181,750	-	-
10/23/2018	1,278,540	438,284	440,129	-	-
10/26/2018	132,475	66,234	70,248	-	-
10/30/2018	115,031	17,154	172,660	-	-
11/2/2018	104,608	15,154	15,409	-	-
11/6/2018	86,263	13,844	16,065	-	-
11/9/2018	86,089	45,366	49,052	-	-
11/13/2018	83,636	27,536	283,178	-	-
11/16/2018	87,204	21,648	22,263	-	-
11/20/2018	87,497	29,328	28,947	-	-
11/23/2018	80,941	39,042	42,233	-	-
11/27/2018	86,435	36,846	44,155	-	-
11/30/2018	92,542	24,872	24,902	-	-
12/4/2018	92,441	32,388	280,334	-	-
12/7/2018	94,245	57,148	41,146	-	-
12/11/2018	85,379	13,446	13,504	-	-
12/14/2018	94,231	37,578	46,315	-	-
12/18/2018	92,744	31,628	30,104	-	-
12/21/2018	101,439	34,128	33,128	-	-
12/25/2018	129,246	37,108	43,229	-	-
12/28/2018	149,623	21,724	137,597	-	-

**Megaplier  
Virginia Lottery Draw Activity  
From April 2018 through March 2019**

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
1/1/2019	232,436	98,616	102,028	-	-
1/4/2019	82,117	35,130	42,384	-	-
1/8/2019	77,769	52,928	54,814	-	-
1/11/2019	82,047	20,304	20,079	-	-
1/15/2019	71,165	12,800	12,375	-	-
1/18/2019	78,553	20,616	20,513	-	-
1/22/2019	71,103	32,712	33,973	-	-
1/25/2019	78,297	13,256	137,096	-	-
1/29/2019	77,445	10,842	13,055	-	-
2/1/2019	83,094	50,968	54,020	-	-
2/5/2019	82,743	15,872	15,966	-	-
2/8/2019	86,212	30,116	33,214	-	-
2/12/2019	80,629	28,568	33,692	-	-
2/15/2019	88,432	13,960	13,817	-	-
2/19/2019	88,526	14,518	16,077	-	-
2/22/2019	91,144	77,064	49,468	-	-
2/26/2019	93,369	24,652	28,236	-	-
3/1/2019	105,054	14,092	13,816	-	-
3/5/2019	72,538	22,732	22,157	-	-
3/8/2019	76,536	43,374	42,748	-	-
3/12/2019	74,099	30,144	30,954	-	-
3/15/2019	78,564	23,692	26,667	-	-
3/19/2019	77,940	21,936	22,668	-	-
3/22/2019	86,780	27,824	26,921	-	-
3/26/2019	88,698	30,428	32,541	-	-
3/29/2019	87,919	29,008	29,369	-	-
<b>Total</b>	<b>\$12,203,646</b>	<b>\$4,006,624</b>	<b>\$6,001,274</b>	<b>\$ -</b>	<b>\$ -</b>

**Megaplier**  
**Virginia Lottery Fixed Prize Analysis**  
**From April 2018 through March 2019**

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Georgia	\$(1,167,856)	\$ 4,482,484	\$ 3,856,536	\$ (1,751,078)	\$ 1,209,170
Illinois	1,402,351	5,269,614	6,124,031	1,676,285	(1,128,351)
Massachusetts	2,139,101	3,953,422	2,918,179	1,717,813	1,456,531
Maryland	(851,292)	2,136,116	3,068,277	(1,252,742)	(530,711)
Michigan	(1,293,136)	3,791,152	4,290,725	(1,936,790)	144,081
New Jersey	1,428,892	6,598,610	5,318,157	3,619,034	(909,689)
New York	(315,801)	5,953,556	7,508,917	(1,533,270)	(337,892)
Ohio	(1,951,683)	6,850,398	7,219,727	(2,978,234)	657,222
Virginia	(1,771,665)	4,006,624	6,001,274	(2,627,743)	(1,138,572)
Washington	2,381,089	5,631,920	2,368,073	5,066,725	578,211
<b>Total</b>	<b>\$ -</b>	<b>\$ 48,673,896</b>	<b>\$ 48,673,896</b>	<b>\$ -</b>	<b>\$ -</b>