



**STATE LOTTERY DEPARTMENT  
MEGA MILLIONS**

**REPORT ON APPLYING  
AGREED-UPON PROCEDURES  
FOR THE PERIOD  
APRIL 2012 THROUGH MARCH 2013**



# Commonwealth of Virginia

## Auditor of Public Accounts

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July 15, 2013

Members of the Virginia State Lottery Board  
900 East Main Street  
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### Independent Auditor's Report on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below, which were agreed to by the Virginia Lottery Department and the other member lotteries in the states of California, Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Texas, and Washington (referred to as the "Member Lotteries"), which operate Mega Millions, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Mega Millions: Virginia Lottery's sales and prize expense for the period April 2012 through March 2013, and the Virginia Lottery's receivable or payable as of March 2013. Virginia Lottery is responsible for its records of the financial information associated with Mega Millions. 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 2012 through March 2013, and attached those as Exhibits I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Mega Millions drawings from the period April 2012 through March 2013 for testing as indicated in "C", "D", and "E" below.

May 2, 2012	June 15, 2012
October 19, 2012	December 11, 2012
March 19, 2013	

- 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 Mega Millions' 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 attached "Draw Activity" report 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 Mega Millions 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 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 receivable or payable as of March 2013 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 Mega Millions Prize Settlement Report as of March 2013 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 Mega Millions. 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

AVG/alh

MEGA MILLIONS  
VIRGINIA LOTTERY DEPARTMENT  
VIRGINIA DRAW ACTIVITY  
From April 2012 through March 2013

Exhibit I

<u>State</u>	<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
	4/3/2012	\$ 903,296	\$ 104,074	\$ 108,197
	4/6/2012	991,901	119,613	169,141
	4/10/2012	897,837	197,357	180,297
	4/13/2012	1,080,017	130,628	182,466
	4/17/2012	947,100	111,763	223,673
	4/20/2012	1,082,099	124,925	192,100
	4/24/2012	985,085	371,055	153,445
	4/27/2012	1,152,709	102,298	227,696
	5/1/2012	1,195,040	126,132	190,824
IL	5/4/2012	1,333,272	152,792	237,222
	5/8/2012	814,251	103,820	210,637
	5/11/2012	894,460	118,438	185,677
CA	5/15/2012	809,494	390,780	214,370
	5/18/2012	844,592	82,946	117,135
	5/22/2012	758,509	70,002	86,631
	5/25/2012	865,648	122,829	140,890
CA	5/29/2012	718,607	98,467	119,409
	6/1/2012	800,847	82,456	119,001
	6/5/2012	744,036	66,855	76,576
	6/8/2012	830,766	86,438	117,655
	6/12/2012	760,467	84,915	86,726
	6/15/2012	860,287	101,716	185,526
	6/19/2012	797,579	110,750	154,203
	6/22/2012	874,947	108,467	188,713
	6/26/2012	843,291	96,747	157,602
	6/29/2012	962,815	94,419	110,100
NY	7/3/2012	890,797	88,633	131,821
	7/6/2012	742,133	83,503	160,326
	7/10/2012	696,432	95,651	237,431
	7/13/2012	823,772	368,405	157,208
	7/17/2012	744,111	74,755	92,737
	7/20/2012	829,291	80,690	91,050
	7/24/2012	771,257	81,352	106,088
CA	7/27/2012	862,797	148,188	213,618
	7/31/2012	679,818	77,810	78,809
	8/3/2012	780,149	80,222	130,413

MEGA MILLIONS  
VIRGINIA LOTTERY DEPARTMENT  
VIRGINIA DRAW ACTIVITY  
From April 2012 through March 2013

Exhibit I

<u>State</u>	<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
	8/7/2012	729,393	87,286	83,324
	8/10/2012	839,363	90,247	137,888
	8/14/2012	828,161	73,209	98,921
	8/17/2012	940,649	98,797	167,777
	8/21/2012	808,864	107,153	197,193
	8/24/2012	913,988	360,556	134,622
	8/28/2012	847,862	77,877	157,895
	8/31/2012	997,512	107,104	152,583
	9/4/2012	893,508	93,247	135,523
	9/7/2012	1,146,813	122,078	154,113
CA	9/11/2012	1,116,470	412,197	198,096
	9/14/2012	781,567	324,574	106,729
NY	9/18/2012	680,787	580,181	134,463
	9/21/2012	742,581	77,936	131,296
	9/25/2012	668,452	68,475	136,537
	9/28/2012	779,584	113,809	111,930
	10/2/2012	726,396	104,480	104,324
	10/5/2012	811,267	103,718	170,560
	10/9/2012	736,424	352,488	152,667
	10/12/2012	845,396	106,636	182,184
CA/MA	10/16/2012	794,831	84,487	87,564
	10/19/2012	725,264	85,363	100,877
	10/23/2012	655,994	67,671	84,212
	10/26/2012	750,814	349,397	144,650
	10/30/2012	598,787	312,190	128,538
NY	11/2/2012	780,856	115,993	161,339
	11/6/2012	639,829	324,827	139,085
	11/9/2012	704,322	334,068	185,135
	11/13/2012	640,859	67,807	123,684
	11/16/2012	747,954	85,779	125,587
	11/20/2012	715,020	81,159	118,646
	11/23/2012	732,960	104,867	101,506
GA	11/27/2012	1,016,270	372,812	202,399
	11/30/2012	806,888	92,369	138,082
	12/4/2012	662,332	86,477	134,713
	12/7/2012	735,616	321,573	156,569

MEGA MILLIONS  
VIRGINIA LOTTERY DEPARTMENT  
VIRGINIA DRAW ACTIVITY  
From April 2012 through March 2013

Exhibit I

<u>State</u>	<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>
CA	12/11/2012	695,993	76,165	73,628
	12/14/2012	777,182	72,735	98,885
	12/18/2012	646,095	97,217	199,058
	12/21/2012	711,133	68,229	95,583
	12/25/2012	594,197	61,832	72,089
	12/28/2012	708,616	333,529	151,135
	1/1/2013	635,528	97,621	180,044
	1/4/2013	738,089	78,535	78,162
	1/8/2013	690,726	80,975	108,453
	1/11/2013	769,786	80,645	98,370
NJ	1/15/2013	719,852	89,261	134,927
	1/18/2013	790,916	322,570	190,689
	1/22/2013	761,070	96,105	118,565
	1/25/2013	796,711	84,795	137,665
	1/29/2013	601,157	64,471	93,024
MI	2/1/2013	682,947	95,921	115,593
	2/5/2013	652,701	102,205	114,239
	2/8/2013	682,988	81,620	118,307
MD	2/12/2013	649,887	83,164	75,193
	2/15/2013	730,538	68,425	112,286
	2/19/2013	675,917	69,380	163,198
	2/22/2013	699,425	72,675	95,576
	2/26/2013	628,548	82,157	112,883
	3/1/2013	765,289	70,441	124,446
OH	3/5/2013	732,915	79,639	91,196
	3/8/2013	742,180	87,374	86,154
	3/12/2013	717,223	102,574	140,674
	3/15/2013	705,707	100,654	122,504
	3/19/2013	647,768	342,216	143,959
	3/22/2013	768,027	90,285	117,094
	3/26/2013	679,182	68,029	105,827
<b>Total</b>	3/29/2013	<u>774,751</u>	<u>79,484</u>	<u>185,983</u>
		<u>\$82,686,186</u>	<u>\$14,269,706</u>	<u>\$14,372,013</u>

Members of the Virginia State Lottery Board  
July 15, 2013

MEGA MILLIONS  
VIRGINIA LOTTERY DEPARTMENT  
FIXED PRIZE ANALYSIS  
From April 2012 through March 2013

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California	\$ -	\$ -	\$ -	\$ -	\$ -
Georgia	(1,769,503)	16,995,550	15,492,989	(1,323,709)	1,056,767
Illinois	1,507,666	19,850,309	17,711,165	3,825,181	(178,371)
Massachusetts	1,085,792	8,771,156	9,128,297	1,338,443	(609,792)
Maryland	(806,417)	12,592,702	11,757,950	(278,485)	306,820
Michigan	(41,249)	16,558,336	17,093,337	(300,951)	(275,299)
New Jersey	(1,456,392)	19,961,608	21,713,024	(2,422,337)	(785,471)
New York	142,079	42,831,299	43,090,808	(684,381)	566,951
Ohio	179,562	15,989,409	16,192,632	(267,964)	244,303
POWER BALL					
Texas	427,018	19,163,542	19,930,647	(354,430)	14,343
Virginia	3,620	14,269,706	14,372,013	130,945	(229,632)
Washington State	727,824	<u>5,098,699</u>	<u>5,599,454</u>	337,688	(110,619)
<b>Total</b>		<u>\$192,082,316</u>	<u>\$192,082,316</u>		