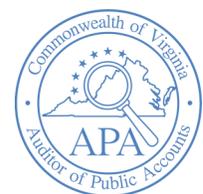




VIRGINIA LOTTERY
POWERBALL

REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2015 THROUGH MARCH 2016

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June 10, 2016

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, 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 2015 through March 2016, and the Virginia Lottery's receivable or payable as of March 2016. 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 2015 through March 2016, 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 2015 through March 2016 for testing as indicated in "C," "D," and "E" below.

April 8, 2015
July 18, 2015
August 19, 2015

September 23, 2015
March 9, 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 receivable as of March 2016 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 2016 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 Draw Activity
From April 2015 through March 2016**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/1/2015	\$ 591,426	\$ 41,776	\$ 129,419	\$ -	\$ -
	4/4/2015	681,278	58,448	138,833	-	-
	4/8/2015	623,064	45,137	50,391	-	-
PB	4/11/2015	698,796	53,176	142,688	-	-
	4/15/2015	538,676	47,489	43,760	-	-
PB	4/18/2015	608,808	46,741	141,192	-	-
	4/22/2015	516,162	40,735	38,506	-	-
	4/25/2015	598,532	54,936	53,028	-	-
	4/29/2015	537,968	43,004	214,574	-	-
	5/2/2015	649,258	59,933	324,676	-	-
	5/6/2015	572,386	40,603	44,662	-	-
	5/9/2015	656,242	58,827	58,061	-	-
	5/13/2015	640,020	67,071	140,532	-	-
	5/16/2015	737,230	50,327	56,634	-	-
	5/20/2015	709,010	52,839	56,723	-	-
	5/23/2015	815,414	68,194	65,442	-	-
	5/27/2015	765,510	73,901	138,347	-	-
	5/30/2015	903,486	63,966	75,985	-	-
PB	6/3/2015	913,666	95,910	86,661	-	-
	6/6/2015	597,900	45,835	50,325	-	-
	6/10/2015	539,354	39,767	44,442	-	-
	6/13/2015	609,852	53,638	223,811	-	-
	6/17/2015	564,682	50,047	50,125	-	-
PB	6/20/2015	636,956	47,663	55,699	-	-
	6/24/2015	493,702	48,144	134,855	-	-
	6/27/2015	569,126	50,823	304,683	-	-
	7/1/2015	543,832	41,628	132,684	-	-
PB	7/4/2015	598,994	70,610	60,390	-	-
	7/8/2015	501,220	50,240	44,521	-	-
	7/11/2015	567,212	43,761	44,858	-	-
	7/15/2015	510,128	41,083	42,968	-	-
	7/18/2015	589,088	41,193	44,207	-	-
	7/22/2015	540,890	54,717	48,810	-	-
	7/25/2015	645,854	47,064	50,242	-	-
	7/29/2015	675,402	50,036	137,552	-	-
CA	8/1/2015	784,796	69,629	67,402	-	-

**Powerball
Virginia Lottery Draw Activity
From April 2015 through March 2016**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/5/2015	508,432	42,965	46,244	-	-
	8/8/2015	583,234	54,629	47,474	-	-
	8/12/2015	535,956	38,940	41,865	-	-
	8/15/2015	627,154	46,361	139,065	-	-
	8/19/2015	577,232	50,529	137,638	-	-
	8/22/2015	660,896	60,789	239,638	-	-
	8/26/2015	679,590	54,172	53,997	-	-
	8/29/2015	762,386	54,750	145,508	-	-
	9/2/2015	713,906	50,986	54,986	-	-
	9/5/2015	812,662	73,572	70,612	-	-
	9/9/2015	749,542	57,597	217,639	-	-
	9/12/2015	870,954	65,266	73,834	-	-
	9/16/2015	900,288	102,059	95,220	-	-
	9/19/2015	1,134,684	2,094,008	471,442	-	-
	9/23/2015	1,326,794	123,396	185,636	-	-
	9/26/2015	1,479,726	1,126,348	433,159	-	-
MI	9/30/2015	2,158,860	183,932	171,053	-	-
	10/3/2015	580,586	46,028	49,224	-	-
	10/7/2015	507,286	96,986	224,643	-	-
	10/10/2015	595,556	50,238	59,357	-	-
	10/14/2015	547,664	147,165	72,782	-	-
	10/17/2015	625,550	54,736	66,103	-	-
	10/21/2015	581,870	56,024	61,465	-	-
	10/24/2015	706,722	109,523	76,476	-	-
	10/28/2015	645,708	58,952	61,250	-	-
	10/31/2015	767,612	80,649	89,122	-	-
PB	11/4/2015	729,628	118,476	98,194	-	-
	11/7/2015	551,382	99,521	151,132	-	-
	11/11/2015	475,522	39,640	51,839	-	-
	11/14/2015	565,338	103,439	78,300	-	-
	11/18/2015	516,230	44,541	57,739	-	-
	11/21/2015	601,022	49,192	55,384	-	-
	11/25/2015	623,292	101,478	56,837	-	-
	11/28/2015	653,768	56,007	64,403	-	-
	12/2/2015	675,072	61,993	77,304	-	-

**Powerball
Virginia Lottery Draw Activity
From April 2015 through March 2016**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/5/2015	761,086	72,616	176,592	-	-
	12/9/2015	731,720	63,582	97,022	-	-
	12/12/2015	831,836	121,860	107,102	-	-
	12/16/2015	819,612	122,504	169,946	-	-
	12/19/2015	1,039,222	194,040	121,261	-	-
	12/23/2015	1,175,118	153,900	131,001	-	-
	12/26/2015	1,164,766	96,348	120,980	-	-
	12/30/2015	1,737,016	143,757	192,316	-	-
	1/2/2016	2,679,556	351,747	350,679	-	-
	1/6/2016	9,426,850	952,440	1,362,166	-	-
	1/9/2016	23,514,228	3,928,052	3,708,083	-	-
CA/PB	1/13/2016	33,423,162	6,406,452	6,409,437	-	-
	1/16/2016	1,151,082	248,255	219,230	-	-
	1/20/2016	883,196	71,770	189,758	-	-
	1/23/2016	632,900	53,859	57,952	-	-
	1/27/2016	689,192	57,832	74,453	-	-
	1/30/2016	864,684	130,581	188,737	-	-
	2/3/2016	847,882	119,366	96,575	-	-
	2/6/2016	932,310	84,819	190,961	-	-
	2/10/2016	855,234	79,563	91,125	-	-
	2/13/2016	929,856	79,431	197,759	-	-
	2/17/2016	836,004	126,427	180,566	-	-
	2/20/2016	1,063,204	1,143,849	373,699	-	-
	2/24/2016	1,003,202	193,099	122,061	-	-
	2/27/2016	1,137,796	152,485	212,791	-	-
PB	3/2/2016	1,134,818	150,738	123,273	-	-
	3/5/2016	682,368	58,819	62,678	-	-
	3/9/2016	580,120	53,261	70,518	-	-
	3/12/2016	660,944	104,641	59,610	-	-
	3/16/2016	607,376	51,882	146,125	-	-
	3/19/2016	680,472	64,228	88,628	-	-
	3/23/2016	628,106	1,108,467	190,757	-	-
	3/26/2016	765,718	67,163	173,688	-	-
	3/30/2016	691,686	60,087	71,008	-	-
Total		\$144,320,346	\$24,431,698	\$23,742,789	\$ -	\$ -

Powerball
Virginia Lottery Fixed Prize Analysis
From April 2015 through March 2016

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/Out	Receivable (Payable)
Georgia	\$1,471,753	\$ 37,070,610	\$ 30,349,279	\$8,099,798	\$ 93,286
Illinois	1,365,949	26,920,534	30,687,802	(2,523,615)	122,296
Massachusetts	(30,624)	27,846,409	24,503,905	4,154,258	(842,378)
Michigan	(296,468)	28,984,742	28,342,982	1,332,723	(987,431)
New Jersey	(1,987,772)	37,477,670	41,235,922	(6,516,048)	770,024
New York	(488,585)	71,518,124	72,993,972	(2,883,248)	918,815
Ohio	(233,185)	27,317,078	27,202,045	766,532	(884,684)
Virginia	(216,401)	24,431,698	23,742,789	(857,346)	1,329,854
Washington	415,333	11,770,657	14,278,826	(1,573,054)	(519,782)
Total	\$ -	\$293,337,522	\$293,337,522	\$ -	\$ -