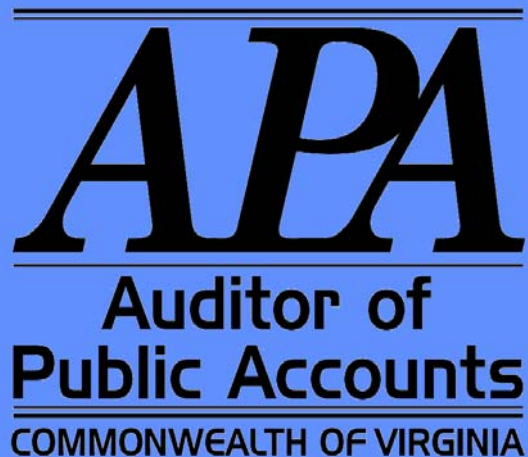


**STATE LOTTERY DEPARTMENT  
WIN FOR LIFE**

**REPORT ON APPLYING AGREED-UPON PROCEDURES  
FOR THE PERIOD  
APRIL 1, 2011 THROUGH MARCH 31, 2012**





# Commonwealth of Virginia

## Auditor of Public Accounts

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

June 22, 2012

Members of the Virginia State 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 Department and the other member lotteries in the states of Georgia and Kentucky (referred to as the "Member Lotteries"), which operate Win for Life ("WFL"), solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with WFL: Virginia Lottery's sales and prize expense for the period April 1, 2011 through March 31, 2012, and the Virginia Lottery's receivable or payable as of March 31, 2012. Kentucky withdrew as of January 29, 2011. This engagement to apply agreed-upon procedures was performed in accordance with 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 agreed-upon 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 1, 2011 through March 31, 2012 and attached those as Exhibits I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five WFL draw dates from the period April 1, 2011 through March 31, 2012:
  - May 11, 2011
  - October 29, 2011
  - December 3, 2011
  - March 10, 2012
  - March 24, 2012
- C. For each WFL draw date 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 draw date 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 draw dates 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 the WFL 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 draw date on the "Draw Activity" report attached as Exhibit I and found them to be in agreement.

- E. For each draw date 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 WFL Settlement Reports and found them to be in agreement.
- F. For the period identified, we randomly selected two months and obtained the "Expired Prize Settlement Report" distributed by the Virginia Lottery. For the two months selected, we obtained from the Virginia Lottery's ICS the actual fixed prizes awarded and the prizes unclaimed. We compared the ICS 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 amounts shown as the total of the actual fixed prizes and the total of the shared 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 shared 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/receivable as of March 31, 2012 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 WFL Prize Settlement Report as of March 31, 2012 and found them to be in agreement.

We were not engaged to, and did not perform an audit or an examination, the objective of which would be the expression of an opinion on the specified financial information associated with Win for Life. 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

AVG/alh

Members of the Virginia State Lottery Board  
June 22, 2011

WIN FOR LIFE  
VIRGINIA LOTTERY DEPARTMENT  
VIRGINIA DRAW ACTIVITY  
From April 1, 2011 through March 31, 2012

Exhibit I

<u>State</u>	<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>	<u>WFL Prize Amount (Purchased by VA)</u>
VA	4/2/2011	\$ 211,059	\$ 66,584	\$ 66,136	-
	4/6/2011	186,175	49,352	81,858	-
	4/9/2011	202,447	68,386	66,852	-
	4/13/2011	181,221	35,188	37,221	-
	4/16/2011	196,731	53,462	53,849	-
	4/20/2011	178,495	41,942	76,159	-
	4/23/2011	193,109	53,238	85,936	-
	4/27/2011	173,049	47,720	46,145	-
	4/30/2011	194,177	105,556	88,002	-
	5/4/2011	177,100	103,734	86,465	-
	5/7/2011	190,993	106,200	88,335	-
	5/11/2011	173,195	40,264	39,430	-
	5/14/2011	189,825	37,388	40,986	-
	5/18/2011	171,622	33,578	34,966	-
	5/21/2011	184,873	159,896	123,921	-
	5/25/2011	167,504	34,054	34,802	1,000,000
	5/28/2011	183,893	46,400	80,646	-
	6/1/2011	165,490	34,074	34,898	-
	6/4/2011	185,266	117,258	132,817	-
	6/8/2011	168,512	37,700	37,098	-
	6/11/2011	182,203	105,340	86,153	-
	6/15/2011	168,442	39,794	38,905	-
	6/18/2011	182,669	40,190	41,297	-
	6/22/2011	165,592	37,666	39,661	-
	6/25/2011	180,205	39,654	40,033	-
	6/29/2011	163,639	45,948	45,984	-
	7/2/2011	186,089	36,554	38,284	-
	7/6/2011	162,271	30,366	31,825	-
	7/9/2011	182,058	39,880	40,112	-
	7/13/2011	166,385	114,488	96,615	-
VA	7/16/2011	181,983	32,936	33,462	1,000,000

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WIN FOR LIFE  
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VIRGINIA DRAW ACTIVITY  
From April 1, 2011 through March 31, 2012

Exhibit I

<u>State</u>	<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>	<u>WFL Prize Amount (Purchased by VA)</u>
GA	7/20/2011	165,017	106,674	123,317	-
	7/23/2011	179,923	54,450	52,855	-
	7/27/2011	164,962	158,482	124,124	-
	7/30/2011	182,903	47,058	46,363	-
	8/3/2011	169,868	49,520	46,715	-
	8/6/2011	185,167	44,386	43,348	-
	8/10/2011	167,333	44,568	45,603	-
	8/13/2011	181,553	114,302	93,788	-
	8/17/2011	166,545	36,810	38,249	-
	8/20/2011	182,095	41,862	42,038	-
	8/24/2011	163,217	61,102	57,750	-
	8/27/2011	161,830	38,894	38,430	-
	8/31/2011	158,035	34,722	37,318	-
	9/3/2011	181,499	60,980	60,996	-
	9/7/2011	160,148	37,414	37,384	-
	9/10/2011	178,531	100,320	81,288	-
	9/14/2011	162,433	54,952	53,863	-
	9/17/2011	178,586	46,948	46,835	-
	9/21/2011	161,930	32,964	32,962	-
	9/24/2011	175,942	47,216	47,308	-
	9/28/2011	158,949	35,322	71,185	-
	10/1/2011	180,376	42,344	43,342	-
	10/5/2011	163,715	35,338	36,262	-
	10/8/2011	176,042	41,920	41,746	-
	10/12/2011	159,436	38,146	38,106	-
	10/15/2011	176,300	44,906	80,048	-
	10/19/2011	160,119	44,878	45,149	-
	10/22/2011	174,782	33,906	35,709	-
	10/26/2011	159,375	32,758	33,357	-
	10/29/2011	173,516	40,164	39,899	-
	11/2/2011	167,358	34,288	35,226	-

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WIN FOR LIFE  
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VIRGINIA DRAW ACTIVITY  
From April 1, 2011 through March 31, 2012

Exhibit I

<u>State</u>	<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>	<u>WFL Prize Amount (Purchased by VA)</u>
VA	11/5/2011	178,053	34,320	33,973	-
	11/9/2011	160,016	39,828	39,751	-
	11/12/2011	178,099	46,992	46,420	-
	11/16/2011	159,490	31,052	31,219	-
	11/19/2011	172,810	43,900	42,821	-
	11/23/2011	165,310	38,314	36,958	-
	11/26/2011	161,322	34,934	37,837	-
	11/30/2011	158,930	99,720	82,181	-
	12/3/2011	177,361	101,192	118,818	-
	12/7/2011	158,176	34,732	34,476	-
	12/10/2011	173,579	35,760	35,696	-
	12/14/2011	161,364	37,728	37,503	1,000,000
	12/17/2011	175,677	43,182	43,746	-
	12/21/2011	164,778	33,076	69,665	-
	12/24/2011	185,827	33,748	35,810	-
	12/28/2011	158,088	43,000	42,604	-
	12/31/2011	193,058	53,540	53,155	-
	1/4/2012	157,503	52,182	51,087	-
	1/7/2012	177,672	35,224	35,566	-
	1/11/2012	156,851	48,334	49,099	-
	1/14/2012	176,861	35,800	37,417	-
	1/18/2012	153,067	55,696	52,342	-
	1/21/2012	167,848	36,644	37,868	-
	1/25/2012	154,695	48,264	82,891	-
	1/28/2012	170,676	144,300	108,750	-
	2/1/2012	156,412	45,138	43,122	-
	2/4/2012	175,720	44,832	44,133	-
	2/8/2012	158,834	59,162	56,210	-
	2/11/2012	174,748	44,152	45,916	-
	2/15/2012	158,888	36,122	35,728	-
	2/18/2012	177,865	52,080	51,123	-

Members of the Virginia State Lottery Board  
June 22, 2011

WIN FOR LIFE  
VIRGINIA LOTTERY DEPARTMENT  
VIRGINIA DRAW ACTIVITY  
From April 1, 2011 through March 31, 2012

Exhibit I

<u>State</u>	<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>	<u>WFL Prize Amount (Purchased by VA)</u>
	2/22/2012	157,797	41,104	39,375	-
	2/25/2012	174,338	46,538	47,203	-
	2/29/2012	158,668	32,602	67,125	-
	3/3/2012	178,972	41,904	44,122	-
	3/7/2012	162,174	36,836	107,194	-
	3/10/2012	177,822	39,298	40,533	-
	3/14/2012	157,931	31,878	33,253	-
	3/17/2012	174,377	45,222	80,314	-
	3/21/2012	158,878	48,564	47,354	-
	3/24/2012	174,401	38,386	38,461	-
	3/28/2012	163,123	35,896	35,654	-
	3/31/2012	<u>190,824</u>	<u>43,742</u>	<u>43,231</u>	-
Total		<u>\$18,102,640</u>	<u>\$5,477,302</u>	<u>\$5,697,120</u>	

Members of the Virginia State Lottery Board  
June 22, 2011

WIN FOR LIFE  
VIRGINIA LOTTERY DEPARTMENT  
FIXED PRIZE ANALYSIS  
From April 1, 2011 Through March 31, 2012

Exhibit II

<u>State</u>	<u>Receivable (Payable)</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>	<u>Qtrly/Yrly Settlements Transfers In(Out)</u>	<u>Receivable (Payable)</u>
Georgia	\$(7,844)	\$ 3,080,452	\$ 2,860,634	\$40,145	\$171,829
Virginia	7,844	<u>5,477,302</u>	<u>5,697,120</u>	(40,145)	(171,829)
Total		<u>\$ 8,557,754</u>	<u>\$ 8,557,754</u>		