



**STATE LOTTERY DEPARTMENT  
WIN FOR LIFE**

**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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P.O. Box 1295  
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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 lottery in the state of Georgia (referred to as the "Member Lottery"), which operate Win for Life ("WFL"), solely to assist the Virginia Lottery and Member Lottery with respect to the evaluation of the following financial information associated with WFL: 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. 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 Lottery. 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 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 WFL draw dates from the period April 2012 through March 2013 for testing as indicated in "C", "D", and "E" below.

May 12, 2012	June 9, 2012
July 25, 2012	October 27, 2012
November 21, 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 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 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 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 WFL 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 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 Lottery 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  
July 15, 2013

WIN FOR LIFE  
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>	<u>WFL Prize Amount (Purchased by VA)</u>
VA	4/4/2012	\$ 163,396	\$ 35,754	\$ 69,758	\$ -
	4/7/2012	178,677	96,258	78,768	-
	4/11/2012	162,560	42,776	41,526	-
	4/14/2012	179,221	32,624	33,122	-
	4/18/2012	161,689	64,594	61,965	-
	4/21/2012	177,983	35,916	37,460	-
	4/25/2012	161,671	31,994	69,194	-
	4/28/2012	177,354	39,036	39,522	-
	5/2/2012	163,337	116,958	95,586	1,000,000
	5/5/2012	178,807	52,090	51,391	-
	5/9/2012	162,092	34,686	33,758	-
	5/12/2012	175,225	40,814	40,180	-
	5/16/2012	158,572	42,714	42,792	-
	5/19/2012	172,469	51,596	50,668	-
	5/23/2012	155,298	58,588	56,954	-
	5/26/2012	168,855	37,156	72,946	-
	5/30/2012	149,264	28,128	29,464	-
	6/2/2012	172,092	47,636	47,854	-
	6/6/2012	155,425	96,572	79,534	-
	6/9/2012	166,671	37,354	37,277	1,000,000
VA	6/13/2012	152,378	39,488	39,205	-
	6/16/2012	170,479	38,716	39,941	-
	6/20/2012	153,834	45,844	43,896	-
	6/23/2012	167,961	195,430	144,114	-
	6/27/2012	153,098	38,194	37,046	-
	6/30/2012	159,360	342,216	235,361	-
	7/4/2012	147,169	42,928	42,149	-
	7/7/2012	165,177	30,806	31,660	-
	7/11/2012	152,392	29,980	29,432	-
	7/14/2012	167,294	34,544	34,084	-
	7/18/2012	150,909	144,756	111,341	-
	7/21/2012	165,404	40,988	40,429	-
	7/25/2012	149,858	30,332	30,153	-
	7/28/2012	162,685	39,190	41,064	-
	8/1/2012	\$ 153,066	\$ 29,432	\$ 30,637	-

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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>	<u>WFL Prize Amount (Purchased by VA)</u>
VA	8/4/2012	167,366	61,018	57,658	-
	8/8/2012	152,142	41,452	39,693	-
	8/11/2012	164,737	36,888	71,282	-
	8/15/2012	157,571	109,974	89,781	1,000,000
	8/18/2012	166,771	35,354	35,214	-
	8/22/2012	153,404	41,546	40,518	-
	8/25/2012	164,140	46,632	46,381	-
	8/29/2012	147,958	33,256	33,080	-
	9/1/2012	167,914	43,206	42,965	-
	9/5/2012	148,419	30,994	30,223	-
	9/8/2012	162,461	86,858	70,549	-
	9/12/2012	148,634	29,038	29,667	-
	9/15/2012	161,510	38,632	39,023	-
	9/19/2012	146,887	36,236	36,770	-
	9/22/2012	159,000	30,672	32,102	-
	9/26/2012	144,629	40,110	39,376	-
	9/29/2012	161,851	34,206	36,191	-
	10/3/2012	149,675	39,462	75,078	-
	10/6/2012	161,208	93,642	76,125	-
GA	10/10/2012	145,140	91,256	73,577	-
	10/13/2012	160,654	49,468	50,121	-
	10/17/2012	146,336	33,338	34,377	-
	10/20/2012	159,918	28,352	28,340	-
	10/24/2012	144,197	38,100	37,690	-
	10/27/2012	160,287	39,898	38,524	-
	10/31/2012	137,591	83,032	65,851	-
	11/3/2012	161,291	85,436	67,099	-
	11/7/2012	143,489	30,658	30,959	-
	11/10/2012	156,021	38,842	39,700	-
	11/14/2012	141,558	29,626	31,950	-
	11/17/2012	154,744	41,928	43,239	-
	11/21/2012	147,647	34,278	33,422	-
	11/24/2012	151,398	29,804	30,701	-
	11/28/2012	157,026	46,680	44,651	-
	12/1/2012	159,817	41,404	41,077	-

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WIN FOR LIFE  
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>	<u>WFL Prize Amount (Purchased by VA)</u>
VA	12/5/2012	148,202	36,322	35,463	-
	12/8/2012	161,653	52,428	51,408	-
	12/12/2012	151,688	38,870	38,771	1,000,000
	12/15/2012	160,160	40,262	73,584	-
	12/19/2012	147,273	25,076	28,013	-
	12/22/2012	160,211	33,788	34,343	-
	12/26/2012	131,001	34,294	33,965	-
	12/29/2012	158,226	31,972	32,587	-
	1/2/2013	141,290	27,876	28,888	-
	1/5/2013	158,027	39,784	40,077	-
	1/9/2013	144,065	53,592	51,462	-
	1/12/2013	155,037	32,252	32,361	-
	1/16/2013	142,643	149,198	151,582	-
	1/19/2013	153,852	70,446	65,809	-
	1/23/2013	140,011	31,510	32,007	-
	1/26/2013	147,923	51,822	48,100	-
	1/30/2013	138,911	100,228	83,499	-
	2/2/2013	157,448	33,514	68,973	-
	2/6/2013	143,925	43,532	42,155	-
	2/9/2013	160,425	27,622	29,120	-
	2/13/2013	146,114	36,226	34,860	-
	2/16/2013	162,042	46,496	43,947	-
	2/20/2013	146,657	79,818	64,271	-
	2/23/2013	160,618	48,838	48,759	-
	2/27/2013	147,342	36,812	36,642	-
	3/2/2013	166,115	33,176	34,130	-
	3/6/2013	140,781	114,158	94,977	-
	3/9/2013	161,263	218,726	164,748	-
	3/13/2013	146,367	28,638	31,548	-
	3/16/2013	160,621	47,310	45,555	-
	3/20/2013	147,991	26,532	26,520	-
	3/23/2013	162,986	29,244	29,990	-
	3/27/2013	144,144	34,806	69,172	-
	3/30/2013	<u>162,405</u>	<u>35,412</u>	<u>35,416</u>	<u>-</u>
<b>Total</b>		<u>\$16,282,530</u>	<u>\$5,567,944</u>	<u>\$5,375,887</u>	<u>\$4,000,000</u>

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July 15, 2013

WIN FOR LIFE  
VIRGINIA LOTTERY DEPARTMENT  
FIXED PRIZE ANALYSIS  
From April 2012 Through March 2013

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	\$171,829	\$2,381,588	\$2,573,645	\$ 57,979	(\$78,207)
Virginia	(171,829)	<u>5,567,944</u>	<u>5,375,887</u>	(57,979)	78,207
<b>Total</b>		<u>\$7,949,532</u>	<u>\$7,949,532</u>		