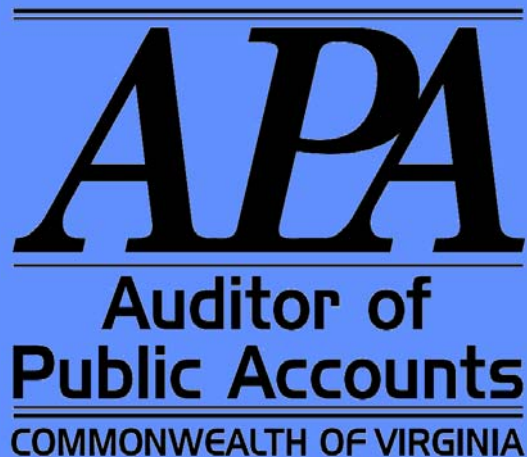


**STATE LOTTERY DEPARTMENT
DECADES OF DOLLARS**

**REPORT ON APPLYING AGREED-UPON PROCEDURES
FOR THE PERIOD
FEBRUARY 3, 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 Arkansas, Georgia, and Kentucky (referred to as the "Member Lotteries"), which operate Decades of Dollars, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Decades of Dollars. Virginia Lottery's sales and prize expense for the period February 3, 2011 through March 31, 2012, and the Virginia Lottery's receivable or payable as of March 31, 2012. 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 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 February 3, 2011 through March 31, 2012, and attached those as Exhibit I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected five Decades of Dollars drawings from the period February 3, 2011 through March 31, 2012, for testing as indicated in "C", "D", and "E" below.

August 25, 2011	March 8, 2012
December 26, 2011	March 15, 2012
February 23, 2012	

- 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 Decades of Dollars’ 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 Decades of Dollars 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 from the Virginia Lottery 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 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 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 Decades of Dollars Prize Settlement Report as of March 29, 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 Decades of Dollars. 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/clj

DECADES OF DOLLARS
VIRGINIA LOTTERY DEPARTMENT
VIRGINIA DRAW ACTIVITY
From February 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>
	2/3/2011	\$260,414	\$114,460	\$ 81,601
	2/7/2011	246,012	78,680	69,384
	2/10/2011	263,534	76,000	73,737
	2/14/2011	255,080	77,680	63,697
	2/17/2011	261,028	57,620	62,812
	2/21/2011	244,360	51,060	38,951
	2/24/2011	247,048	33,520	51,558
	2/28/2011	239,284	53,290	55,206
	3/3/2011	258,208	69,460	75,003
	3/7/2011	243,336	57,370	65,790
	3/10/2011	238,426	53,730	70,504
	3/14/2011	236,636	60,550	66,687
	3/17/2011	245,248	67,970	88,508
	3/21/2011	235,274	111,470	95,686
	3/24/2011	243,230	57,110	65,690
	3/28/2011	238,446	43,080	52,015
	3/31/2011	241,032	55,630	56,307
	4/4/2011	239,804	72,930	48,834
	4/7/2011	233,636	74,970	61,247
	4/11/2011	226,418	64,020	70,229
	4/14/2011	224,476	80,280	75,394
	4/18/2011	223,752	88,650	63,253
	4/21/2011	219,328	60,740	55,115
	4/25/2011	206,096	60,180	59,778
	4/28/2011	208,740	119,510	79,225
	5/2/2011	212,874	44,840	55,093
	5/5/2011	208,960	52,320	51,535
	5/9/2011	203,112	59,970	63,764
	5/12/2011	206,688	60,840	53,957
	5/16/2011	203,366	45,840	46,280
	5/19/2011	197,390	53,450	58,363
	5/23/2011	193,322	54,400	44,498
	5/26/2011	183,508	54,330	58,056
	5/30/2011	164,146	45,310	41,544
	6/2/2011	193,674	40,920	45,394
	6/6/2011	193,288	63,060	44,161

Members of the Virginia State Lottery Board
June 22, 2012

DECADES OF DOLLARS
VIRGINIA LOTTERY DEPARTMENT
VIRGINIA DRAW ACTIVITY
From February 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>
	6/9/2011	188,470	42,860	48,045
	6/13/2011	186,148	40,730	54,936
	6/16/2011	189,646	60,820	62,027
	6/20/2011	185,202	28,830	40,423
	6/23/2011	180,534	51,210	51,104
	6/27/2011	179,874	22,820	26,568
	6/30/2011	176,382	49,240	41,970
	7/4/2011	164,170	46,340	49,812
	7/7/2011	186,508	47,460	44,417
	7/11/2011	185,100	25,800	32,589
	7/14/2011	180,238	45,240	31,679
	7/18/2011	182,390	44,100	49,084
	7/21/2011	176,936	117,720	82,683
	7/25/2011	178,332	26,350	39,123
	7/28/2011	177,064	32,220	40,344
	8/1/2011	181,606	53,880	54,309
	8/4/2011	182,038	50,640	45,563
	8/8/2011	181,048	23,860	43,772
	8/11/2011	177,606	56,550	60,291
	8/15/2011	179,600	53,830	61,180
	8/18/2011	182,056	33,520	42,114
	8/22/2011	176,076	44,600	48,996
	8/25/2011	171,506	37,990	39,611
	8/29/2011	156,326	20,440	31,504
	9/1/2011	177,886	73,460	52,587
	9/5/2011	186,652	29,520	50,688
	9/8/2011	173,558	48,220	39,663
	9/12/2011	196,120	49,680	36,537
	9/15/2011	174,606	34,110	41,276
	9/19/2011	196,254	54,530	44,560
	9/22/2011	176,034	38,230	35,664
	9/26/2011	193,246	106,050	65,804
	9/29/2011	175,270	47,580	46,641
	10/3/2011	211,990	66,560	54,061
	10/6/2011	181,204	37,640	39,119
	10/10/2011	173,164	60,600	47,312

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June 22, 2012

DECADES OF DOLLARS
VIRGINIA LOTTERY DEPARTMENT
VIRGINIA DRAW ACTIVITY
From February 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>
	10/13/2011	173,516	27,330	33,955
	10/17/2011	174,942	41,740	48,374
	10/20/2011	170,358	34,500	38,619
	10/24/2011	167,846	51,590	65,435
	10/27/2011	168,532	68,040	64,550
	10/31/2011	167,740	44,630	31,817
	11/3/2011	175,776	35,590	45,312
	11/7/2011	171,818	71,220	53,199
	11/10/2011	175,986	33,050	43,619
	11/14/2011	171,760	67,390	53,396
	11/17/2011	168,362	40,620	50,710
	11/21/2011	168,432	72,560	57,070
	11/24/2011	141,812	32,630	35,278
	11/28/2011	160,938	45,590	52,451
	12/1/2011	172,850	60,040	54,877
	12/5/2011	172,496	47,010	50,140
	12/8/2011	164,414	36,000	41,233
	12/12/2011	165,230	45,740	56,538
	12/15/2011	165,826	49,450	34,219
	12/19/2011	160,502	48,020	43,887
	12/22/2011	164,610	65,350	49,177
	12/26/2011	150,068	30,550	31,340
	12/29/2011	165,052	50,270	45,998
	1/2/2012	162,866	42,290	42,703
	1/5/2012	163,216	33,920	44,053
	1/9/2012	162,520	31,280	39,519
	1/12/2012	162,028	65,490	45,189
	1/16/2012	152,744	29,310	30,031
	1/19/2012	150,572	49,530	38,357
	1/23/2012	148,646	24,000	37,206
	1/26/2012	151,406	46,200	43,024
	1/30/2012	159,628	40,610	28,791
	2/2/2012	157,630	41,100	38,606
	2/6/2012	158,252	30,550	34,069
	2/9/2012	156,156	42,050	34,773
	2/13/2012	156,398	47,270	56,725

Members of the Virginia State Lottery Board
June 22, 2012

DECADES OF DOLLARS
VIRGINIA LOTTERY DEPARTMENT
VIRGINIA DRAW ACTIVITY
From February 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>
	2/16/2012	161,156	54,500	44,615
	2/20/2012	156,564	63,000	50,372
	2/23/2012	161,600	30,900	36,826
	2/27/2012	157,228	21,840	36,068
	3/1/2012	161,084	39,980	35,058
GA	3/5/2012	160,186	41,010	28,145
GA	3/8/2012	156,326	50,910	45,814
	3/12/2012	156,744	35,940	35,209
	3/15/2012	155,372	25,040	28,467
	3/19/2012	155,338	30,460	38,136
	3/22/2012	151,556	29,430	26,174
	3/26/2012	147,462	51,050	46,648
	3/29/2012	<u>149,152</u>	<u>19,850</u>	<u>28,181</u>
Total		<u>\$22,570,710</u>	<u>\$6,134,890</u>	<u>\$5,958,865</u>

DECADES OF DOLLARS
VIRGINIA LOTTERY DEPARTMENT
FIXED PRIZE ANALYSIS
From February 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>
Arkansas	\$-	\$ 1,261,950	\$ 1,312,965	\$(51,134)	\$ 119
Georgia	-	6,586,380	6,640,242	(33,872)	(19,990)
Kentucky	-	3,691,130	3,762,278	7,185	(78,333)
Virginia	-	<u>6,134,890</u>	<u>5,958,865</u>	77,821	98,204
Total		<u>\$17,674,350</u>	<u>\$17,674,350</u>		