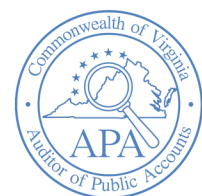




VIRGINIA LOTTERY  
CASH4LIFE

REPORT ON APPLYING  
AGREED-UPON PROCEDURES  
FOR THE PERIOD  
APRIL 2017 THROUGH MARCH 2018

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Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
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May 31, 2018

Members of the Virginia Lottery Board  
600 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 the states of Florida, Georgia, Indiana, Maryland, New Jersey, New York, Pennsylvania, and Tennessee (referred to as the "Member Lotteries"), which operate **Cash4Life**, solely to assist the Virginia Lottery and Member Lotteries with respect to the evaluation of the following financial information associated with Cash4Life: Virginia Lottery's sales and prize expense for the period April 2017 through March 2018, and the Virginia Lottery's receivable or payable as of March 2018. Virginia Lottery is responsible for its records of financial information associated with Cash4Life. 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 2017 through March 2018 and attached those as Exhibits I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Cash4Life draw dates from the period April 2017 through March 2018 for testing as indicated in "C," "D," and "E" below.

May 4, 2017  
August 24, 2017  
March 29, 2018

June 15, 2017  
December 18, 2017

- C. For each Cash4Life 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 Cash4Life’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 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 Cash4Life 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 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 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 as of March 2018 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 Cash4Life Prize Settlement Report as of March 2018 and found them to be in agreement.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. These agreed-upon procedures do not constitute an audit of financial statements or any part thereof, the objective of which is the expression of an opinion on the financial statements or a part thereof. 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

AVC/clj

**Cash4Life**  
**Virginia Lottery Draw Activity**  
**From April 2017 through March 2018**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Tier 2 Amount	Grand Prize Amount
	4/03/2017	\$ 156,762	\$ 45,605	\$ 45,606	\$ -	\$ -
	4/06/2017	145,146	42,855	45,297	-	-
	4/10/2017	149,028	41,086	41,316	-	-
	4/13/2017	140,882	37,312	38,398	-	-
	4/17/2017	148,356	53,079	49,988	-	-
	4/20/2017	142,772	37,766	39,834	-	-
	4/24/2017	148,932	40,326	41,605	-	-
	4/27/2017	141,126	41,718	42,774	-	-
	5/01/2017	151,258	65,078	52,808	-	-
GA	5/04/2017	146,114	49,785	47,307	-	-
	5/08/2017	149,408	38,939	39,467	-	-
	5/11/2017	142,448	41,358	42,358	-	-
	5/15/2017	146,852	43,807	42,868	-	-
	5/18/2017	137,256	37,152	38,011	-	-
	5/22/2017	146,010	40,987	42,775	-	-
	5/25/2017	137,758	55,395	50,928	-	-
	5/29/2017	133,180	51,437	41,091	-	-
	6/01/2017	143,056	41,351	42,516	-	-
	6/05/2017	150,830	39,252	38,892	-	-
	6/08/2017	138,208	34,820	35,986	-	-
	6/12/2017	152,006	42,533	44,040	-	-
	6/15/2017	141,042	46,779	44,069	-	-
	6/19/2017	149,464	51,708	44,923	-	-
	6/22/2017	142,038	30,444	35,722	-	-
	6/26/2017	147,170	36,295	38,994	-	-
	6/29/2017	138,878	52,492	49,176	-	-
	7/03/2017	153,824	47,979	42,184	-	-
	7/06/2017	139,542	36,182	38,746	-	-
	7/10/2017	150,778	42,901	41,638	-	-
	7/13/2017	140,402	39,181	40,082	-	-
NY	7/17/2017	147,992	55,672	52,779	-	-
	7/20/2017	138,994	35,364	35,073	-	-
	7/24/2017	146,868	43,616	42,343	-	-
	7/27/2017	140,480	35,010	36,396	-	-
	7/31/2017	150,290	46,187	45,638	-	-
	8/03/2017	146,602	56,604	54,623	-	-
MD	8/07/2017	154,766	44,351	44,562	-	-
	8/10/2017	151,854	45,528	48,503	-	-
	8/14/2017	160,868	55,534	48,819	-	-

**Cash4Life**  
**Virginia Lottery Draw Activity**  
**From April 2017 through March 2018**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Tier 2 Amount	Grand Prize Amount
	8/17/2017	147,118	51,549	48,572	-	-
	8/21/2017	157,226	63,019	55,112	-	-
	8/24/2017	157,336	42,320	43,859	-	-
	8/28/2017	160,014	51,521	49,151	-	-
	8/31/2017	150,466	37,814	37,644	-	-
	9/04/2017	148,454	44,761	43,235	-	-
	9/07/2017	148,056	52,130	48,783	-	-
	9/11/2017	156,822	34,124	37,624	-	-
	9/14/2017	146,628	50,900	45,945	-	-
	9/18/2017	154,190	49,346	46,748	-	-
	9/21/2017	142,984	43,332	41,627	-	-
	9/25/2017	154,012	45,397	43,725	-	-
	9/28/2017	143,626	39,463	36,874	-	-
	10/02/2017	156,364	42,296	41,906	-	-
	10/05/2017	145,018	40,097	41,040	-	-
	10/09/2017	147,640	38,775	40,906	-	-
	10/12/2017	142,626	34,603	37,738	-	-
	10/16/2017	149,436	43,196	43,362	-	-
	10/19/2017	140,018	35,652	36,211	-	-
	10/23/2017	149,236	39,978	38,932	-	-
GA	10/26/2017	140,084	46,588	48,581	-	-
	10/30/2017	141,754	40,920	42,392	-	-
	11/02/2017	136,782	31,106	35,969	-	-
	11/06/2017	150,062	57,208	52,245	-	-
	11/09/2017	140,076	40,214	40,668	-	-
	11/13/2017	143,806	47,793	49,129	-	-
	11/16/2017	136,870	40,811	40,990	-	-
	11/20/2017	132,640	36,572	38,839	-	-
	11/23/2017	122,892	30,084	32,578	-	-
	11/27/2017	141,034	39,259	36,087	-	-
	11/30/2017	136,826	46,290	42,209	-	-
	12/04/2017	148,712	34,260	37,915	-	-
NY	12/07/2017	135,950	35,683	36,419	-	-
	12/11/2017	140,226	42,205	39,643	-	-
	12/14/2017	134,834	40,849	39,309	-	-
	12/18/2017	144,088	49,143	51,898	-	-
	12/21/2017	140,618	42,748	42,497	-	-
	12/25/2017	130,606	34,867	36,882	-	-
	12/28/2017	143,646	48,843	41,709	-	-

**Cash4Life**  
**Virginia Lottery Draw Activity**  
**From April 2017 through March 2018**

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Tier 2 Amount	Grand Prize Amount
	1/01/2018	151,276	51,114	51,365	-	-
	1/04/2018	135,994	38,155	38,727	-	-
	1/08/2018	153,828	43,342	45,195	-	-
	1/11/2018	145,360	39,334	38,533	-	-
	1/15/2018	151,276	45,698	45,854	-	-
	1/18/2018	137,842	32,110	34,934	-	-
	1/22/2018	152,272	56,397	56,961	-	-
	1/25/2018	141,362	40,659	41,632	-	-
	1/29/2018	149,550	59,678	48,188	-	-
	2/01/2018	145,944	41,847	44,672	-	-
	2/05/2018	151,328	35,243	39,049	-	-
	2/08/2018	140,598	36,207	37,726	-	-
	2/12/2018	147,240	55,501	51,849	-	-
	2/15/2018	143,762	35,239	36,632	-	-
	2/19/2018	148,832	48,070	46,990	-	-
	2/22/2018	144,526	35,237	38,611	-	-
	2/26/2018	154,626	37,395	41,227	-	-
NJ	3/01/2018	151,962	72,535	61,844	-	-
	3/05/2018	156,266	36,263	38,641	-	-
	3/08/2018	148,498	38,725	40,469	-	-
	3/12/2018	148,628	39,213	41,364	-	-
	3/15/2018	147,602	44,765	41,661	-	-
NY	3/19/2018	160,174	42,268	43,516	-	-
	3/22/2018	142,846	43,993	42,290	-	-
	3/26/2018	153,074	56,694	47,661	-	-
	3/29/2018	148,120	35,115	36,165	-	-
<b>Total</b>		<b>\$15,180,802</b>	<b>\$4,529,981</b>	<b>\$4,464,844</b>	<b>\$ -</b>	<b>\$ -</b>

**Cash4Life**  
**Virginia Lottery Fixed Prize Analysis**  
**From April 2017 through March 2018**

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Florida	\$(39,623)	\$18,760,514	\$18,819,999	\$(57,428)	\$(41,680)
Georgia	7,573	2,973,463	2,978,452	(2,380)	4,964
Indiana	10,400	1,738,606	1,753,357	(733)	(3,618)
Maryland	11,147	3,979,036	3,991,151	(1,122)	154
New Jersey	10,175	11,423,520	11,388,749	52,007	(7,061)
New York	30,123	28,017,138	28,055,010	26,825	(34,574)
Pennsylvania	(11,318)	5,450,091	5,432,678	(16,200)	22,295
Tennessee	(85,885)	2,745,892	2,734,001	(90,987)	16,993
Virginia	67,408	4,529,981	4,464,844	90,018	42,527
<b>Total</b>	<b>\$ -</b>	<b>\$79,618,241</b>	<b>\$79,618,241</b>	<b>\$ -</b>	<b>\$ -</b>