STATE LOTTERY DEPARTMENT

WIN FOR LIFE

REPORT ON APPLYING AGREED-UPON PROCEDURES

FOR THE PERIOD

APRIL 1, 2008 THROUGH MARCH 31, 2009

APA

Auditor of Public Accounts

COMMONWEALTH OF VIRGINIA

Commonwealth of Virginia

Walter J. Kucharski, Auditor

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

June 24, 2009

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, 2008 through March 31, 2009. This engagement to apply agreed-upon procedures was conducted 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 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, 2008 through March 31, 2009 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, 2008 through March 31, 2009:

May 07, 2008	December 13, 2008
July 30, 2008	March 11, 2009
October 29, 2008	

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 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 (August 2008 and October 2008) we obtained from the Virginia Lottery's Internal Control System (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 to ensure they are 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, 2009 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 28, 2009 and found them to be in agreement.

We were not engaged to, and did not conduct 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

LCW/clj

WIN FOR LIFE Exhibit I
VIRGINIA LOTTERY DEPARTMENT
DRAW ACTIVITY
For the period April 1, 2008 through March 31, 2009

Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	WFL Prize Amount (Purchased by VA)
4/2/2008	$ 331,724	$ 139,876	$ 113,402	$ -
4/5/2008	376,316	80,602	158,955	-
4/9/2008	319,470	115,550	93,189	-
4/12/2008	358,821	118,280	113,771	1,000,000
4/16/2008	313,966	172,964	122,663	-
4/19/2008	814,786	264,624	251,876	-
4/23/2008	316,433	138,678	161,060	-
4/26/2008	1,129,995	334,166	324,302	1,000,000
4/30/2008	334,892	84,448	112,921	-
5/3/2008	1,782,161	514,274	505,554	-
5/7/2008	355,485	99,812	154,885	-
5/10/2008	448,983	111,332	112,184	-
5/14/2008	349,070	88,834	89,194	-
5/17/2008	423,283	144,994	120,042	-
5/21/2008	329,066	73,324	73,659	-
5/24/2008	382,361	85,230	87,523	-
5/28/2008	313,272	63,356	68,360	-
5/31/2008	369,736	101,350	99,736	-
6/4/2008	313,614	71,338	124,107	-
6/7/2008	355,203	92,674	94,253	-
6/11/2008	304,915	79,028	79,397	-
6/14/2008	356,093	90,702	89,125	-
6/18/2008	303,706	127,502	102,351	-
6/21/2008	345,691	82,692	82,584	-
6/25/2008	299,919	77,514	100,628	-
6/28/2008	344,437	73,768	78,619	-
7/2/2008	307,610	100,200	91,227	-
7/5/2008	331,811	94,466	118,213	-
7/9/2008	307,100	66,888	91,895	-
7/12/2008	351,437	81,726	87,135	-
7/16/2008	307,322	70,608	69,139	-
7/19/2008	353,833	114,828	156,402	-
7/23/2008	299,988	70,142	93,878	-
7/26/2008	341,673	91,658	113,944	-
7/30/2008	292,869	167,542	115,858	-

WIN FOR LIFE Exhibit I
VIRGINIA LOTTERY DEPARTMENT
DRAW ACTIVITY
For the period April 1, 2008 through March 31, 2009

Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	WFL Prize Amount (Purchased by VA)
8/2/2008	351,048	121,030	97,055	-
8/6/2008	299,314	87,642	84,756	-
8/9/2008	344,994	86,232	113,546	-
8/13/2008	298,229	78,196	78,535	-
8/16/2008	340,394	77,476	81,988	-
8/20/2008	294,745	69,152	94,997	-
8/23/2008	343,731	111,328	130,889	-
8/27/2008	297,031	66,914	95,390	-
8/30/2008	355,887	74,898	77,115	-
9/3/2008	290,216	78,432	78,557	-
9/6/2008	328,302	81,246	77,972	-
9/10/2008	291,246	129,632	104,817	1,000,000
9/13/2008	325,447	72,768	74,638	-
9/17/2008	282,038	78,934	130,827	-
9/20/2008	323,093	92,210	90,424	-
9/24/2008	280,680	140,660	164,202	-
9/27/2008	321,605	66,192	68,327	-
10/1/2008	286,905	120,016	118,647	-
10/4/2008	331,932	127,414	99,391	-
10/8/2008	283,567	188,012	165,130	-
10/11/2008	325,105	91,816	112,683	-
10/15/2008	281,349	65,286	67,836	-
10/18/2008	323,889	65,068	93,253	-
10/22/2008	278,237	77,570	75,702	-
10/25/2008	317,356	74,164	97,187	-
10/29/2008	270,363	113,392	88,377	-
11/1/2008	321,109	98,182	95,150	-
11/5/2008	278,417	60,272	87,369	1,000,000
11/8/2008	323,311	82,646	130,295	-
11/12/2008	278,274	63,700	63,039	-
11/15/2008	326,383	126,078	101,490	-
11/19/2008	279,584	73,112	95,559	-
11/22/2008	321,494	74,542	74,397	-
11/26/2008	297,315	69,578	75,532	-
11/29/2008	311,870	128,750	104,157	-

WIN FOR LIFE Exhibit I
VIRGINIA LOTTERY DEPARTMENT
DRAW ACTIVITY
For the period April 1, 2008 through March 31, 2009

Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	WFL Prize Amount (Purchased by VA)
12/3/2008	297,162	69,696	72,376	-
12/6/2008	333,400	73,882	72,657	-
12/10/2008	293,443	64,142	62,483	-
12/13/2008	340,809	90,116	88,659	-
12/17/2008	282,951	64,488	65,816	-
12/20/2008	331,819	66,198	67,259	-
12/24/2008	312,843	88,886	84,903	-
12/27/2008	298,416	59,032	87,105	-
12/31/2008	312,007	91,292	88,439	-
1/3/2009	314,223	77,016	73,711	-
1/7/2009	280,018	56,160	60,021	-
1/10/2009	323,344	75,154	104,087	-
1/14/2009	276,532	61,804	88,711	-
1/17/2009	310,176	130,852	125,036	-
1/21/2009	265,377	72,514	97,784	-
1/24/2009	319,421	168,572	142,024	-
1/28/2009	267,068	51,592	52,667	-
1/31/2009	332,477	77,688	80,402	-
2/4/2009	287,794	62,834	65,385	-
2/7/2009	333,089	82,938	82,503	-
2/11/2009	292,235	82,096	79,262	-
2/14/2009	339,238	72,368	74,697	-
2/18/2009	291,185	70,094	71,218	-
2/21/2009	342,816	103,792	126,031	-
2/25/2009	297,376	130,772	108,360	-
2/28/2009	355,594	85,588	86,588	-
3/4/2009	298,733	81,146	79,949	-
3/7/2009	335,185	130,228	131,492	1,000,000
3/11/2009	291,197	54,444	57,700	-
3/14/2009	331,606	90,940	91,282	-
3/18/2009	290,316	67,970	68,627	-
3/21/2009	331,122	68,528	68,809	-
3/25/2009	287,717	65,354	66,272	-
3/28/2009	327,108	131,564	130,961	-
Total	$ 35,895,298	$ 10,317,250	$ 10,744,536	$ 5,000,000

WIN FOR LIFE

Exhibit II

VIRGINIA LOTTERY DEPARTMENT

FIXED PRIZE ANALYSIS

For the period April 1, 2008 through March 31, 2009

	Balance as of March 31,2008 Receivable/ (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In (Out)	Balance as of March 31, 2009 Receivable/ (Payable)
Georgia	$ (38,362)	$ 7,904,668	$ 7,415,192	$ (14,005)	$ 465,119
Kentucky	689	2,871,736	2,933,926	63,760	(125,261)
Virginia	37,673	10,317,250	10,744,536	(49,755)	(339,858)
Total	$ -	$ 21,093,654	$ 21,093,654	$ -	$ -