



VIRGINIA LOTTERY CASH4LIFE

REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PERIOD APRIL 2018 THROUGH MARCH 2019

Auditor of Public Accounts
Martha S. Mavredes, CPA
www.apa.virginia.gov
(804) 225-3350





Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 13, 2019

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 2018 through March 2019, and the Virginia Lottery's receivable or payable as of March 2019. 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 2018 through March 2019 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 2018 through March 2019 for testing as indicated in "C," "D," and "E" below.

May 21, 2018
June 11, 2018
September 10, 2018

December 6, 2018
February 21, 2019

- 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 payable as of March 2019 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 2019 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

KJS/clj

Cash4Life
Virginia Lottery Draw Activity
From April 2018 through March 2019

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Tier 2 Amount	Grand Prize Amount
	4/2/2018	\$ 165,578	\$ 66,916	\$ 61,341	\$ -	\$ -
	4/5/2018	148,962	49,156	48,682	-	-
	4/9/2018	160,714	48,565	49,596	-	-
	4/12/2018	145,726	46,202	46,034	-	-
	4/16/2018	155,800	56,076	54,553	-	-
	4/19/2018	145,372	41,175	43,174	-	-
	4/23/2018	155,134	45,699	45,422	-	-
	4/26/2018	144,462	43,988	40,762	-	-
	4/30/2018	155,018	42,102	45,821	-	-
	5/3/2018	143,640	60,375	54,271	-	-
	5/7/2018	155,316	55,123	48,582	-	-
	5/10/2018	142,190	33,292	37,605	-	-
	5/14/2018	148,030	51,020	50,250	-	-
	5/17/2018	140,594	38,583	36,813	-	-
	5/21/2018	150,554	44,077	45,083	-	-
	5/24/2018	139,898	40,747	38,961	-	-
	5/28/2018	138,784	36,294	38,398	-	-
	5/31/2018	140,334	36,052	37,674	-	-
	6/4/2018	152,416	51,529	45,271	-	-
	6/7/2018	139,424	34,762	39,439	-	-
	6/11/2018	149,262	37,897	40,056	-	-
	6/14/2018	137,016	42,611	44,382	-	-
	6/18/2018	149,762	43,599	43,390	-	-
TN	6/21/2018	137,128	52,320	56,974	-	-
	6/25/2018	146,382	35,448	40,492	-	-
	6/28/2018	138,882	43,881	40,680	-	-
	7/2/2018	150,072	44,998	42,948	-	-
	7/5/2018	138,220	47,159	44,215	-	-
	7/9/2018	148,858	58,545	49,359	-	-
	7/12/2018	141,092	45,551	39,138	-	-
	7/16/2018	153,180	44,410	39,797	-	-
	7/19/2018	141,924	46,945	42,730	-	-
	7/23/2018	153,552	51,293	51,750	-	-
	7/26/2018	152,550	37,646	42,679	-	-
	7/30/2018	159,634	38,946	38,905	-	-
	8/2/2018	159,220	57,625	55,519	-	-
	8/6/2018	174,962	44,549	46,027	-	-
	8/9/2018	165,164	45,570	44,606	-	-
	8/13/2018	177,190	62,381	59,768	-	-

Cash4Life
Virginia Lottery Draw Activity
From April 2018 through March 2019

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Tier 2 Amount	Grand Prize Amount
	8/16/2018	172,752	54,041	52,348	-	-
	8/20/2018	183,058	53,264	54,701	-	-
	8/23/2018	170,826	53,381	53,299	-	-
	8/27/2018	182,892	49,232	48,670	-	-
	8/30/2018	168,288	37,215	41,952	-	-
	9/3/2018	167,066	49,645	48,850	-	-
	9/6/2018	169,942	60,337	57,913	-	-
	9/10/2018	175,694	55,803	58,167	-	-
	9/13/2018	169,184	49,980	43,879	-	-
	9/17/2018	168,766	51,866	51,485	-	-
	9/20/2018	163,028	37,999	41,863	-	-
	9/24/2018	170,350	58,593	52,858	-	-
	9/27/2018	158,974	45,213	42,557	-	-
	10/1/2018	174,142	45,851	46,431	-	-
	10/4/2018	172,736	55,555	55,898	-	-
	10/8/2018	188,166	56,196	53,888	-	-
	10/11/2018	176,314	47,104	49,109	-	-
	10/15/2018	189,938	51,125	53,956	-	-
NY	10/18/2018	200,140	76,697	74,044	-	-
	10/22/2018	231,058	76,749	78,176	-	-
	10/25/2018	220,160	61,522	58,335	-	-
	10/29/2018	218,960	67,415	69,357	-	-
	11/1/2018	206,188	62,277	58,962	-	-
NY	11/5/2018	211,292	52,700	56,108	-	-
	11/8/2018	188,528	49,234	48,944	-	-
	11/12/2018	187,168	49,904	49,811	-	-
	11/15/2018	171,844	43,894	44,449	-	-
	11/19/2018	190,006	55,920	55,243	-	-
	11/22/2018	161,126	42,746	41,390	-	-
	11/26/2018	181,952	49,858	46,325	-	-
	11/29/2018	173,950	41,287	44,304	-	-
	12/3/2018	189,552	48,731	52,020	-	-
	12/6/2018	171,514	44,697	46,149	-	-
	12/10/2018	166,850	49,835	48,486	-	-
	12/13/2018	169,040	58,629	57,517	-	-
	12/17/2018	178,620	51,744	55,150	-	-
	12/20/2018	167,064	48,073	49,134	-	-
	12/24/2018	189,746	53,474	52,782	-	-
	12/27/2018	163,908	43,703	46,897	-	-

Cash4Life
Virginia Lottery Draw Activity
From April 2018 through March 2019

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Tier 2 Amount	Grand Prize Amount
	12/31/2018	210,128	49,574	56,307	-	-
	1/3/2019	183,466	60,423	58,233	-	-
	1/7/2019	194,622	50,703	50,875	-	-
	1/10/2019	178,516	44,127	49,011	-	-
	1/14/2019	178,782	43,211	45,562	-	-
	1/17/2019	176,130	59,035	52,807	-	-
	1/21/2019	177,090	63,105	63,284	-	-
	1/24/2019	172,652	47,987	45,343	-	-
	1/28/2019	185,536	58,132	55,594	-	-
	1/31/2019	172,756	46,789	49,810	-	-
	2/4/2019	186,488	51,616	54,215	-	-
	2/7/2019	173,870	43,918	47,532	-	-
	2/11/2019	180,868	46,213	50,454	-	-
	2/14/2019	173,636	59,020	58,665	-	-
	2/18/2019	180,130	44,268	47,795	-	-
	2/21/2019	170,174	44,189	48,141	-	-
	2/25/2019	183,150	48,290	49,273	-	-
	2/28/2019	176,796	59,759	56,843	-	-
	3/4/2019	191,108	50,874	53,799	-	-
	3/7/2019	178,528	50,409	51,940	-	-
	3/11/2019	188,290	53,959	56,806	-	-
	3/14/2019	180,180	43,840	49,227	-	-
	3/18/2019	188,926	48,702	51,531	-	-
	3/21/2019	179,730	53,040	55,369	-	-
	3/25/2019	195,294	61,470	56,856	-	-
	3/28/2019	187,896	54,188	52,884	-	-
Total		\$17,647,520	\$5,181,437	\$5,180,710	\$ -	\$ -

Cash4Life
Virginia Lottery Fixed Prize Analysis
From April 2018 through March 2019

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/(Out)	Receivable (Payable)
Florida	\$(41,680)	\$15,331,034	\$15,329,496	\$ (61,300)	\$ 21,158
Georgia	4,964	2,872,975	2,867,950	8,868	1,121
Indiana	(3,618)	1,388,022	1,380,226	7,267	(3,089)
Maryland	154	3,653,006	3,671,609	(16,727)	(1,722)
New Jersey	(7,061)	10,663,158	10,657,883	(2,778)	992
New York	(34,574)	26,718,582	26,718,596	(34,811)	223
Pennsylvania	22,295	5,009,018	4,999,513	38,770	(6,970)
Tennessee	16,993	2,435,133	2,446,382	14,401	(8,657)
Virginia	42,527	5,181,437	5,180,710	46,310	(3,056)
Total	\$ -	\$73,252,365	\$73,252,365	\$ -	\$ -