



**STATE LOTTERY DEPARTMENT
DECADES OF DOLLARS**

**REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2012 THROUGH MARCH 2013**



Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

July 15, 2013

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 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 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 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 Decades of Dollars drawings from the period April 2012 through March 2013 for testing as indicated in "C", "D", and "E" below.

April 19, 2012
October 4, 2012
January 10, 2013

July 26, 2012
October 15, 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 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 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 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 Decades of Dollars 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 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/alh

Members of the Virginia State Lottery Board
July 15, 2013

DECADES OF DOLLARS
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>Cash Options Amt</u>
VA	4/2/2012	\$ 161,086	\$ 29,000	\$ 38,045	\$ -
	4/5/2012	160,154	44,310	42,538	-
	4/9/2012	195,168	46,330	45,221	-
	4/12/2012	230,390	55,220	58,643	4,000,000
	4/16/2012	241,740	56,480	71,299	-
	4/19/2012	269,414	60,010	66,791	-
	4/23/2012	266,834	96,410	67,411	-
KY	4/26/2012	298,108	111,910	91,144	-
	4/30/2012	202,586	98,480	69,428	-
GA	5/3/2012	194,462	45,240	40,453	-
	5/7/2012	179,326	47,130	44,857	-
VA	5/10/2012	180,370	75,160	76,350	4,000,000
	5/14/2012	176,186	20,620	33,826	-
	5/17/2012	174,204	24,500	46,540	-
	5/21/2012	170,200	27,200	36,787	-
	5/24/2012	166,944	22,630	38,416	-
	5/28/2012	143,388	31,930	36,624	-
	5/31/2012	166,020	59,460	43,793	-
	6/4/2012	171,162	34,240	31,215	-
	6/7/2012	164,132	38,150	57,240	-
	6/11/2012	161,988	19,560	35,810	-
	6/14/2012	158,508	35,910	40,499	-
	6/18/2012	159,750	35,280	35,724	-
	6/21/2012	156,938	19,720	27,860	-
	6/25/2012	154,360	44,670	35,377	-
	6/28/2012	156,892	51,710	51,559	-
	7/2/2012	150,622	30,530	29,345	-
	7/5/2012	149,164	22,460	37,795	-
	7/9/2012	152,812	37,070	36,682	-
	7/12/2012	154,148	89,500	60,795	-
	7/16/2012	157,868	70,830	44,183	-
	7/19/2012	152,572	43,400	57,381	-
	7/23/2012	154,528	28,340	37,763	-
	7/26/2012	149,716	34,620	27,720	-
	7/30/2012	150,468	74,980	97,143	-

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<u>State</u>	<u>Draw Date</u>	<u>Sales</u>	<u>Actual Fixed Prizes</u>	<u>Share of Fixed Prizes</u>	<u>Cash Options Amt</u>
KY	8/2/2012	158,692	21,830	28,727	-
	8/6/2012	152,686	82,920	74,553	-
	8/9/2012	152,952	29,730	28,198	-
	8/13/2012	151,040	19,990	30,873	-
	8/16/2012	152,258	22,390	33,800	-
	8/20/2012	153,914	33,890	34,489	-
	8/23/2012	153,610	32,990	32,276	-
	8/27/2012	149,276	43,930	49,993	-
	8/30/2012	147,650	40,270	30,584	-
	9/3/2012	139,494	45,830	35,596	-
	9/6/2012	146,142	50,060	38,121	-
	9/10/2012	145,924	22,550	28,662	-
	9/13/2012	145,010	37,700	50,945	-
	9/17/2012	147,200	18,150	23,135	-
	9/20/2012	143,404	30,790	38,917	-
	9/24/2012	141,270	30,880	31,499	-
	9/27/2012	143,478	44,170	48,623	-
	10/1/2012	151,566	62,490	46,960	-
	10/4/2012	147,906	58,130	42,521	-
	10/8/2012	142,066	20,570	23,436	-
	10/11/2012	145,014	38,570	31,163	-
	10/15/2012	144,590	30,210	36,121	-
	10/18/2012	144,338	59,760	44,696	-
	10/22/2012	145,276	30,080	35,083	-
	10/25/2012	140,432	19,070	23,795	-
	10/29/2012	125,038	33,970	35,931	-
	11/1/2012	143,282	59,480	43,865	-
	11/5/2012	145,532	31,890	27,484	-
	11/8/2012	139,902	39,180	41,725	-
	11/12/2012	140,444	27,020	25,359	-
	11/15/2012	139,288	28,290	51,167	-
	11/19/2012	138,880	47,180	38,916	-
	11/22/2012	116,844	81,980	70,110	-
	11/26/2012	138,102	30,320	30,574	-
	11/29/2012	139,904	47,290	41,318	-
	12/3/2012	149,800	38,590	28,057	-

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DECADES OF DOLLARS
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>Cash Options Amt</u>
	12/6/2012	146,738	34,740	31,190	-
	12/10/2012	147,018	19,500	26,726	-
	12/13/2012	145,814	18,470	27,430	-
	12/17/2012	142,942	28,990	30,173	-
	12/20/2012	145,474	44,370	33,765	-
	12/24/2012	146,558	30,210	34,736	-
	12/27/2012	132,618	37,600	47,094	-
	12/31/2012	155,288	37,720	26,786	-
	1/3/2013	139,686	66,310	78,004	-
	1/7/2013	146,284	30,840	37,036	-
	1/10/2013	141,268	39,180	41,466	-
	1/14/2013	139,574	68,810	62,972	-
	1/17/2013	134,994	27,650	24,788	-
	1/21/2013	132,616	30,230	31,891	-
	1/24/2013	133,192	28,060	47,729	-
	1/28/2013	134,266	68,480	50,614	-
	1/31/2013	137,302	41,300	29,646	-
	2/4/2013	140,922	28,550	31,171	-
	2/7/2013	142,994	17,020	29,456	-
	2/11/2013	146,700	50,990	38,896	-
	2/14/2013	145,042	33,670	40,110	-
	2/18/2013	143,418	61,160	47,483	-
	2/21/2013	150,354	36,470	37,010	-
	2/25/2013	148,910	60,890	47,852	-
	2/28/2013	153,284	41,930	34,685	-
	3/4/2013	155,820	38,310	34,400	-
	3/7/2013	149,380	21,840	24,767	-
	3/11/2013	148,550	39,730	38,515	-
	3/14/2013	146,994	31,530	25,503	-
	3/18/2013	147,280	39,590	36,068	-
	3/21/2013	146,232	35,820	43,211	-
	3/25/2013	145,456	18,690	37,213	-
	3/28/2013	148,972	66,930	51,952	-
Total		<u>\$16,196,352</u>	<u>\$ 4,330,710</u>	<u>\$4,309,867</u>	<u>\$8,000,000</u>

Members of the Virginia State Lottery Board
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DECADES OF DOLLARS
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>
Arkansas	\$ 119	\$ 957,770	\$ 900,915	\$ 24,438	\$ 32,536
Georgia	(19,990)	4,705,490	4,738,746	27,059	(80,305)
Kentucky	(78,333)	1,857,690	1,902,132	(117,511)	(5,264)
Virginia	98,204	<u>4,330,710</u>	<u>4,309,867</u>	66,014	53,033
Total		<u>\$11,851,660</u>	<u>\$11,851,660</u>		