



VIRGINIA LOTTERY
CASH4LIFE

REPORT ON APPLYING
AGREED-UPON PROCEDURES
FOR THE PERIOD
APRIL 2015 THROUGH MARCH 2016

Auditor of Public Accounts
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June 3, 2016

Members of the Virginia Lottery Board
900 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 Maryland, New Jersey, New York, Tennessee, and Pennsylvania (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 2015 through March 2016, and the Virginia Lottery's receivable or payable as of March 2016. Virginia Lottery is responsible for its records of financial information associated with Cash4Life. 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 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 2015 through March 2016 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 2015 through March 2016 for testing as indicated in "C," "D," and "E" below.

May 25, 2015
December 17, 2015
March 28, 2016

June 11, 2015
March 7, 2016

- 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. There were no expired prize settlements made during the period identified in step “B” above; therefore, no testwork was performed.
- 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 2016 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 2016 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 Cash4Life. 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

AC/alh

Cash4Life
Virginia Lottery Draw Activity
From April 2015 through March 2016

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Tier 2 Amount	Grand Prize Amount
	5/4/2015	\$ 176,396	\$ 57,587	\$ 59,167	\$ -	\$ -
	5/7/2015	222,552	63,194	63,147	-	-
	5/11/2015	220,294	89,018	72,410	-	-
	5/14/2015	215,428	55,765	60,755	-	-
	5/18/2015	216,910	55,570	55,123	-	-
	5/21/2015	223,014	69,942	69,122	-	-
	5/25/2015	205,074	45,108	51,007	-	-
	5/28/2015	229,526	66,941	67,459	-	-
	6/1/2015	240,238	85,553	81,207	-	-
	6/4/2015	244,348	71,057	68,059	-	-
	6/8/2015	238,900	59,260	61,258	-	-
	6/11/2015	234,432	61,145	61,014	-	-
	6/15/2015	233,076	77,934	71,230	-	-
	6/18/2015	238,474	69,233	71,665	-	-
	6/22/2015	247,976	66,385	70,131	-	-
	6/25/2015	234,870	67,498	68,341	-	-
	6/29/2015	238,460	68,710	68,233	-	-
	7/2/2015	260,490	73,114	76,890	-	-
	7/6/2015	253,780	73,279	76,811	-	-
	7/9/2015	240,778	69,259	62,753	-	-
	7/13/2015	244,450	66,365	69,252	-	-
	7/16/2015	237,016	64,315	65,039	-	-
	7/20/2015	236,110	66,539	64,375	-	-
	7/23/2015	227,296	62,350	66,268	-	-
NJ	7/27/2015	229,330	69,177	68,449	-	-
	7/30/2015	223,250	74,132	69,459	-	-
	8/3/2015	242,482	75,933	70,472	-	-
	8/6/2015	227,754	72,534	71,989	-	-
	8/10/2015	227,772	80,263	80,351	-	-
	8/13/2015	219,984	58,638	62,032	-	-
NY	8/17/2015	226,396	112,459	97,129	-	-
	8/20/2015	218,428	61,217	63,493	-	-
	8/24/2015	222,758	64,498	65,185	-	-
	8/27/2015	209,752	56,096	56,083	-	-
	8/31/2015	212,674	53,533	57,123	-	-

Cash4Life
Virginia Lottery Draw Activity
From April 2015 through March 2016

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Tier 2 Amount	Grand Prize Amount
	9/3/2015	203,746	52,573	51,712	-	-
	9/7/2015	189,836	59,728	56,714	-	-
	9/10/2015	196,798	49,402	52,629	-	-
	9/14/2015	201,446	91,713	86,344	-	-
	9/17/2015	194,096	56,776	54,713	-	-
	9/21/2015	198,772	49,701	52,376	-	-
	9/24/2015	188,414	57,843	56,329	-	-
	9/28/2015	196,874	53,502	54,940	-	-
	10/1/2015	191,478	51,422	52,361	-	-
	10/5/2015	193,228	60,948	56,004	-	-
	10/8/2015	187,178	48,562	51,630	-	-
	10/12/2015	188,226	50,673	52,281	-	-
	10/15/2015	179,638	52,598	55,363	-	-
	10/19/2015	181,776	53,617	53,571	-	-
	10/22/2015	174,418	42,790	47,720	-	-
	10/26/2015	182,298	47,865	46,704	-	-
	10/29/2015	173,288	49,497	47,205	-	-
	11/2/2015	184,482	61,849	60,188	-	-
	11/5/2015	173,178	54,988	54,149	-	-
	11/9/2015	172,898	77,969	71,991	-	-
	11/12/2015	169,024	39,043	42,948	-	-
	11/16/2015	176,508	53,902	54,075	-	-
	11/19/2015	166,804	51,292	53,017	-	-
	11/23/2015	173,116	45,418	48,319	-	-
	11/26/2015	142,580	38,760	39,850	-	-
	11/30/2015	164,304	75,576	67,028	-	-
	12/3/2015	166,984	50,776	52,856	-	-
	12/7/2015	171,162	51,860	49,898	-	-
	12/10/2015	161,626	41,810	42,227	-	-
	12/14/2015	167,186	34,293	39,517	-	-
	12/17/2015	159,504	33,889	38,835	-	-
	12/21/2015	166,790	46,817	50,163	-	-
NJ	12/24/2015	174,212	49,980	50,129	-	-
	12/28/2015	150,684	77,597	64,507	-	-
	12/31/2015	189,640	51,578	53,345	-	-
	1/4/2016	167,804	53,586	54,117	-	-

Cash4Life
Virginia Lottery Draw Activity
From April 2015 through March 2016

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Tier 2 Amount	Grand Prize Amount
VA	1/7/2016	169,584	38,406	42,909	-	7,000,000
	1/11/2016	191,570	54,124	56,606	-	-
	1/14/2016	193,514	51,868	58,066	-	-
	1/18/2016	186,544	59,457	53,481	-	-
NJ	1/21/2016	187,258	52,262	54,792	-	-
	1/25/2016	136,430	33,203	37,980	-	-
	1/28/2016	170,992	57,908	55,569	-	-
	2/1/2016	189,490	53,912	55,320	-	-
	2/4/2016	176,590	55,558	52,922	-	-
	2/8/2016	184,782	46,968	47,822	-	-
	2/11/2016	172,366	44,194	45,804	-	-
	2/15/2016	156,182	49,042	46,469	-	-
	2/18/2016	176,366	47,376	48,853	-	-
	2/22/2016	182,174	106,802	95,482	-	-
NY	2/25/2016	172,654	56,872	54,440	-	-
	2/29/2016	184,108	49,344	51,324	-	-
	3/3/2016	179,442	54,744	52,961	-	-
	3/7/2016	182,926	53,915	57,466	-	-
	3/10/2016	173,324	48,780	50,378	-	-
	3/14/2016	177,724	43,252	47,023	-	-
	3/17/2016	169,584	44,936	45,058	-	-
	3/21/2016	174,984	39,146	43,712	-	-
	3/24/2016	161,340	53,363	46,347	-	-
	3/28/2016	166,870	38,246	43,089	-	-
	3/31/2016	161,958	51,813	49,764	-	-
Total		\$18,819,220	\$5,589,285	\$5,571,873	\$ -	\$ -

Cash4Life
Virginia Lottery Fixed Prize Analysis
From April 2015 through March 2016

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In/Out	Receivable (Payable)
Maryland	\$ -	\$ 1,984,957	\$ 1,986,695	\$ -	\$ (1,738)
New Jersey	(28,303)	14,432,717	14,535,572	(45,763)	(85,395)
New York	28,303	33,017,867	32,924,681	13,805	107,684
Pennsylvania	-	10,966,584	10,929,016	21,386	16,182
Tennessee	-	2,671,557	2,715,130	-	(43,573)
Virginia	-	5,589,285	5,571,873	10,572	6,840
Total	\$ -	\$68,662,967	\$68,662,967	\$ -	\$ -