



VIRGINIA LOTTERY

WIN FOR LIFE

REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE PERIOD APRIL 2013 THROUGH MARCH 2014

Auditor of Public Accounts

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Commonwealth of Virginia

Auditor of Public Accounts

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June 18, 2014

Members of the Virginia 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 and the other member lottery in the state of Georgia (referred to as the "Member Lottery"), which operate Win for Life, solely to assist the Virginia Lottery and Member Lottery with respect to the evaluation of the following financial information associated with Win for Life: Virginia Lottery's sales and prize expense for the period April 2013 through March 2014, and the Virginia Lottery's receivable or payable as of March 2014. Virginia Lottery is responsible for its records of financial information associated with Win for Life. 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 Lottery. 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 2013 through March 2014 and attached those as Exhibits I and II, respectively. We verified the mathematical accuracy of the schedules.
- B. We randomly selected the following five Win for Life draw dates from the period April 2013 through March 2014 for testing as indicated in "C," "D," and "E" below.

July 24, 2013

September 11, 2013

October 16, 2013

December 4, 2013

March 19, 2014

- C. For each Win for Life 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 Win for Life 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 Win for Life 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 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 receivable as of March 2014 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 Win for Life Prize Settlement Report as of March 2014 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 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 Lottery 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

WIN FOR LIFE
 VIRGINIA LOTTERY
 VIRGINIA DRAW ACTIVITY
 From April 2013 to March 2014

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	WFL Prize Amount	Amount
	4/3/2013	\$ 149,560	\$ 81,906	\$ 66,441	\$ -	\$ -
	4/6/2013	161,898	33,910	67,201	-	-
	4/10/2013	145,696	65,114	61,801	-	-
	4/13/2013	159,107	45,216	44,841	-	-
	4/17/2013	148,853	35,530	36,181	-	-
VA	4/20/2013	157,791	37,766	38,639	1,000,000	-
	4/24/2013	146,336	38,270	39,021	-	-
VA	4/27/2013	160,729	37,816	38,949	1,000,000	-
	5/1/2013	149,792	30,030	30,517	-	-
	5/4/2013	162,080	48,218	49,300	-	-
	5/8/2013	148,514	38,798	37,728	-	-
	5/11/2013	159,385	41,994	40,292	-	-
	5/15/2013	153,553	34,646	35,540	-	-
	5/18/2013	172,119	38,404	74,416	-	-
VA	5/22/2013	142,613	29,558	30,194	1,000,000	-
	5/25/2013	157,398	99,336	81,322	-	-
	5/29/2013	140,380	23,148	24,446	-	-
VA	6/1/2013	158,557	38,890	38,273	1,000,000	-
	6/5/2013	145,529	39,508	37,942	-	-
	6/8/2013	157,323	35,760	35,052	-	-
	6/12/2013	143,622	33,118	33,910	-	-
	6/15/2013	154,487	33,224	34,320	-	-
	6/19/2013	143,877	30,950	30,309	-	-
	6/22/2013	153,800	34,672	34,402	-	-
	6/26/2013	138,927	32,360	30,450	-	-
	6/29/2013	153,478	38,626	36,393	-	-
	7/3/2013	147,474	51,494	49,418	-	-
	7/6/2013	147,498	34,664	34,376	-	-
	7/10/2013	139,161	25,210	27,990	-	-
	7/13/2013	150,642	38,302	39,529	-	-
	7/17/2013	137,350	24,794	24,762	-	-
	7/20/2013	147,384	36,190	35,773	-	-
	7/24/2013	136,802	38,160	35,799	-	-
	7/27/2013	147,351	45,286	43,862	-	-
	7/31/2013	136,510	41,958	76,225	-	-
	8/3/2013	153,283	34,850	36,501	-	-

WIN FOR LIFE
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 VIRGINIA DRAW ACTIVITY
 From April 2013 to March 2014

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	WFL Prize Amount	Amount
	8/7/2013	146,462	91,054	74,501	-	-
	8/10/2013	147,009	33,122	31,562	-	-
	8/14/2013	137,628	29,652	29,975	-	-
	8/17/2013	149,855	94,220	111,428	-	-
	8/21/2013	137,971	34,360	35,112	-	-
	8/24/2013	148,821	35,818	36,605	-	-
	8/28/2013	136,185	29,912	30,104	-	-
	8/31/2013	151,212	40,160	38,261	-	-
	9/4/2013	138,024	38,242	38,011	-	-
	9/7/2013	150,313	33,906	33,043	-	-
	9/11/2013	138,012	75,822	61,524	-	-
	9/14/2013	151,312	50,098	48,949	-	-
	9/18/2013	143,450	41,688	43,058	-	-
	9/21/2013	147,386	40,978	41,323	-	-
	9/25/2013	137,312	32,998	33,099	-	-
	9/28/2013	148,711	36,612	35,657	-	-
	10/2/2013	139,672	37,814	38,063	-	-
	10/5/2013	151,981	32,950	33,531	-	-
	10/9/2013	136,409	34,318	32,366	-	-
	10/12/2013	147,976	35,134	35,866	-	-
	10/16/2013	135,400	35,814	35,092	-	-
	10/19/2013	146,869	91,426	75,194	-	-
	10/23/2013	133,330	32,934	32,233	-	-
	10/26/2013	144,484	30,462	31,900	-	-
	10/30/2013	131,250	37,462	36,564	-	-
	11/2/2013	149,182	31,584	32,999	-	-
	11/6/2013	135,396	25,102	26,225	-	-
	11/9/2013	145,463	32,724	32,900	-	-
	11/13/2013	132,596	145,952	113,803	-	-
	11/16/2013	145,271	31,348	32,167	-	-
	11/20/2013	132,048	38,094	36,963	-	-
	11/23/2013	145,181	34,810	35,194	-	-
	11/27/2013	135,434	38,770	40,049	-	-
VA	11/30/2013	138,300	106,164	83,648	1,000,000	-
	12/4/2013	136,834	31,250	30,592	-	-
	12/7/2013	148,657	107,108	86,961	-	-

WIN FOR LIFE
 VIRGINIA LOTTERY
 VIRGINIA DRAW ACTIVITY
 From April 2013 to March 2014

Exhibit I

State	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	WFL Prize Amount	Amount
	12/11/2013	133,326	110,932	90,363	-	-
	12/14/2013	149,985	80,440	63,570	-	-
	12/18/2013	146,162	36,572	37,481	-	-
	12/21/2013	148,413	29,206	30,180	-	-
	12/25/2013	128,334	90,204	72,956	-	-
	12/28/2013	145,209	86,452	71,801	-	-
	1/1/2014	136,939	99,824	81,183	-	-
	1/4/2014	148,939	46,412	45,943	-	-
	1/8/2014	135,310	46,292	43,616	-	-
	1/11/2014	146,566	50,548	48,268	-	-
	1/15/2014	136,391	35,142	34,601	-	-
	1/18/2014	146,796	25,014	27,088	-	-
	1/22/2014	124,346	25,072	25,277	-	-
	1/25/2014	141,920	27,534	27,706	-	-
	1/29/2014	121,232	25,852	25,060	-	-
	2/1/2014	145,584	89,732	74,025	-	-
	2/5/2014	133,283	50,550	48,253	-	-
	2/8/2014	147,145	40,042	41,227	-	-
	2/12/2014	136,997	31,788	30,228	-	-
	2/15/2014	138,332	38,572	37,451	-	-
	2/19/2014	143,154	32,088	32,568	-	-
	2/22/2014	146,938	30,774	33,196	-	-
	2/26/2014	144,995	39,206	39,206	-	-
	3/1/2014	162,946	34,038	34,038	-	-
	3/5/2014	144,850	54,532	54,532	-	-
	3/8/2014	161,082	49,928	49,928	-	-
	3/12/2014	149,122	34,886	34,886	-	-
	3/15/2014	160,395	38,690	38,690	-	-
	3/19/2014	150,811	34,064	34,064	-	-
	3/22/2014	157,770	38,206	38,206	-	-
	3/26/2014	144,889	92,148	92,148	-	-
	3/29/2014	158,499	84,610	84,610	-	-
	Total	<u>\$ 15,146,915</u>	<u>\$ 4,806,888</u>	<u>\$ 4,658,986</u>		

WIN FOR LIFE
 VIRGINIA LOTTERY
 FIXED PRIZE ANALYSIS
 From April 2013 to March 2014

Exhibit II

State	Receivable (Payable)	Actual Fixed Prizes	Actual Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In (Out)	Receivable (Payable)
Georgia	\$(78,207)	\$ 1,869,742	\$ 2,017,644	\$(226,109)	-
Kentucky	-	-	-	-	-
Virginia	78,207	<u>4,806,888</u>	<u>4,658,986</u>	226,109	-
Total		<u>\$ 6,676,630</u>	<u>\$ 6,676,630</u>		-