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☞ Details: Legislative Audit Bureau Report 06-8: An Audit: Wisconsin Lottery, Department of Revenue

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

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* Contents organized for archiving by: Stefanie Rose (LRB) (October 2012)



STATE OF WISCONSIN
Legislative Audit Bureau

22 E. Mifflin St., Ste. 500
Madison, Wisconsin 53703
(608) 266-2818
Fax (608) 267-0410
Leg.Audit.Info@legis.state.wi.us

Janice Mueller
State Auditor

DATE: July 12, 2006

TO: Karen Asbjornson and Pamela Matthews
Committee Clerks to the Joint Legislative Audit Committee

FROM: Julie Gordon *Julie Gordon*
Financial Audit Director

SUBJECT: Report 06-8: An Audit of the Wisconsin Lottery, Department of Revenue

As required by s. 13.94(1)(em), Wis. Stats., we have completed our annual financial audit of the Wisconsin Lottery, which is administered by the Department of Revenue. We have issued an unqualified opinion on the Wisconsin Lottery's financial statements for fiscal year (FY) 2003-04 and FY 2004-05.

As part of our audit, we reviewed the Lottery's compliance with statutory provisions related to lottery prizes, administrative expenses, informational advertising expenses, and retailer commissions and incentives. We found the Lottery has complied with these statutory limitations.

We also reviewed lottery sales and expenses through FY 2004-05. We note that lottery ticket sales totaled \$451.9 million in FY 2004-05, which represents a decrease of \$31.0 million over FY 2003-04.

The audit will be released on Thursday, July 13, at 9 a.m. Please contact us if you have any questions regarding the report.

JG/km

Enclosures

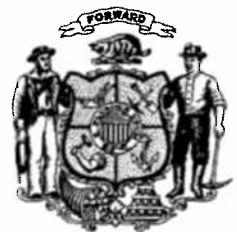


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**Report 06-8
July 2006**

An Audit

Wisconsin Lottery

Department of Revenue

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Robert Cowles
Scott Fitzgerald
Mark Miller
Julie Lassa

Assembly Members:

Suzanne Jeskewitz, Co-chairperson
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State Auditor - Janice Mueller

Audit Prepared by

Julie Gordon, Director and Contact Person
Patrick Bushman
Brian Bellford
John Brewah
Kristin Leibfried

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Janice Mueller
State Auditor

July 13, 2006

Senator Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Roessler and Representative Jeskewitz:

As required by s. 13.94(1)(em), Wis. Stats., we have completed our annual financial audit of the Wisconsin Lottery, which is administered by the Department of Revenue. We have issued an unqualified opinion on the Wisconsin Lottery's fiscal year (FY) 2003-04 and FY 2004-05 financial statements. We also found that the Wisconsin Lottery was in compliance with statutory spending limitations related to prizes, informational advertising, retailer compensation, and administrative expenses.

Lottery sales steadily increased from FY 2000-01 to FY 2003-04, then decreased by \$31.0 million, or 6.4 percent, in FY 2004-05. However, according to unaudited information, FY 2005-06 sales increased to \$508.9 million. Lottery staff attribute these changes to large Powerball jackpots, which have a significant effect on ticket sales. Total operating expenses decreased by \$20.6 million in FY 2004-05, primarily because lottery prizes and retailer commissions and incentives decreased with sales. In FY 2004-05, lottery proceeds of \$143.4 million were distributed to provide property tax relief.

We appreciate the courtesy and cooperation extended to us by Wisconsin Lottery staff in the Department of Revenue.

Respectfully submitted,

Janice Mueller
State Auditor

JM/JG/ss