



Dave Yost • Auditor of State

**OHIO LOTTERY COMMISSION
CUYAHOGA COUNTY
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio Lottery Commission
Cuyahoga County
615 West Superior Avenue
Cleveland, Ohio 44113

We have performed the procedures enumerated below, which were agreed to by the Ohio Lottery Commission (OLC) and the other member lotteries in the states of California, Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Virginia, Texas, and Washington (referred to as the "Member Lotteries") who operate Powerball, solely to assist the OLC and Member Lotteries with respect to the evaluation of the following financial information associated with Powerball: The OLC sales and prize expense for the period April 1, 2011 through March 31, 2012. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. 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. Our procedures were as follows:

- a) We obtained from the OLC the "Draw Activity" and "Fixed Prize Analysis" for the period April 1, 2011 through March 31, 2012 (attached as Exhibit I and Exhibit II, respectively). We proved their mathematical accuracy with no exceptions noted.
- b) We randomly selected the following five (5) drawings from the period April 1, 2011 to March 31, 2012 for testing and performed procedures "c", "d", and "e" below:

November 2, 2011
November 30, 2011
January 28, 2012
March 7, 2012
March 21, 2012

- c) For each draw date selected in step "b" above, we compared the total amount of sales as shown on the daily sales report produced by the OLC's gaming system and the total amount of sales shown on the related daily sales report produced by 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 fixed prizes for the draw dates selected in step "b" above, based on the total number of winners from the OLC's gaming system for each prize level and the prize structure of the Powerball 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 Powerball Prize Settlement Reports and found them to be in agreement.
- f) For the period identified in step "a" above, we randomly selected two months (April 2011 and May 2011) and obtained the "Expired Prize Settlement Report" distributed by the Virginia Lottery. For the two months selected, we obtained from the OLC Internal Control System (ICS) the actual fixed prizes awarded, and the prizes unclaimed. We compared the ICS 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 noted that no winner selected the annuity option.
- i) We noted no purchase of investments associated with the jackpot prizes.
- j) We compared the total of the period transfers from the OLC to the Virginia Lottery for settlement of the fixed prize liability as shown in the OLC's cash disbursement subsidiary records to the amount listed in the "Qtrly/Yrly Settlement Transfers In (Out)" column on the "Fixed Prize Analysis" report attached as Exhibit II and found them to be in agreement.
- k) We compared the balance listed as the OLC's payable as of March 31, 2012 for the fixed prizes as shown on the "Fixed Prize Analysis" report attached as Exhibit II to the OLC's financial accounting records and to the Powerball Prize Settlement Report as of March 31, 2012 and found them to be in agreement.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the OLC sales and prize expense for the period April 1, 2011 through March 31, 2012. 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 use of the Ohio Lottery Commission and Member Lotteries, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

October 1, 2012

Exhibit I – Draw Activity
Exhibit II – Fixed Prize Analysis

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/02/2011	1,158,909	170,522	184,898		
PB	4/06/2011	1,315,519	367,011	238,648		
	4/09/2011	558,826	87,723	88,321		
	4/13/2011	457,993	57,235	71,822		
	4/16/2011	533,462	67,629	101,827		
	4/20/2011	567,785	80,365	104,793		
PB	4/23/2011	658,567	90,613	90,146		
	4/27/2011	430,179	253,127	76,222		
	4/30/2011	477,814	269,125	106,495		
	5/04/2011	454,792	59,836	105,806		
	5/07/2011	576,372	67,954	90,730		
	5/11/2011	551,491	65,304	83,416		
	5/14/2011	651,239	87,030	165,627		
	5/18/2011	714,338	106,107	154,764		
	5/21/2011	894,522	134,956	140,716		
	5/25/2011	892,184	121,190	136,551		
	5/28/2011	1,079,418	152,580	184,564		
NY	6/01/2011	1,224,442	346,674	224,299		
	6/04/2011	564,437	68,501	87,583		
MA	6/08/2011	467,547	64,417	87,591		
	6/11/2011	478,759	58,995	80,687		
	6/15/2011	425,042	61,417	54,139		
	6/18/2011	490,621	260,993	96,151		
	6/22/2011	456,770	55,020	75,533		
	6/25/2011	540,312	92,444	101,830		
GA	6/29/2011	523,695	82,525	66,784		
	7/02/2011	488,701	60,227	69,262		
	7/06/2011	418,079	60,238	57,008		
	7/09/2011	500,874	89,502	141,564		
	7/13/2011	485,115	269,122	81,384		
	7/16/2011	573,882	71,152	91,953		
	7/20/2011	551,685	67,730	100,685		
	7/23/2011	663,812	81,598	117,521		
	7/27/2011	762,204	97,658	120,665		
	7/30/2011	929,517	121,080	132,205		
	8/03/2011	1,008,096	736,787	213,600		
	8/06/2011	1,196,541	142,644	216,547		
PB	8/10/2011	1,595,553	191,443	256,411		
	8/13/2011	588,710	82,224	77,271		
	8/17/2011	492,045	56,746	73,600		
	8/20/2011	554,839	68,232	87,386		
	8/24/2011	549,111	68,467	98,953		
	8/27/2011	632,073	84,695	96,376		
	8/31/2011	633,632	284,179	109,048		
	9/03/2011	809,434	94,961	175,282		
MD	9/07/2011	884,901	113,594	159,521		
	9/10/2011	550,272	70,050	77,392		
GA	9/14/2011	453,814	53,263	60,006		
	9/17/2011	479,341	61,069	111,428		
	9/21/2011	426,826	72,609	87,641		
	9/24/2011	486,711	63,494	111,964		
	9/28/2011	444,340	63,482	58,236		

	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	10/01/2011	527,440	78,362	88,114		
	10/05/2011	551,475	67,747	88,271		
	10/08/2011	646,628	79,244	113,791		
	10/12/2011	681,029	294,475	167,812		
	10/15/2011	901,242	327,338	202,775		
	10/19/2011	974,029	145,859	136,982		
	10/22/2011	1,127,978	152,285	223,855		
	10/26/2011	1,352,040	162,374	244,345		
	10/29/2011	1,766,362	230,523	283,019		
PB	11/02/2011	2,433,063	711,602	484,146		
	11/05/2011	670,449	79,012	103,778		
	11/09/2011	563,365	64,847	73,141		
	11/12/2011	646,858	95,216	145,433		
	11/16/2011	605,388	103,339	146,590		
PB	11/19/2011	685,863	89,102	129,038		
	11/23/2011	515,936	273,594	82,054		
	11/26/2011	474,326	54,132	58,826		
	11/30/2011	474,668	57,361	94,628		
	12/03/2011	563,554	69,417	75,698		
	12/07/2011	530,048	73,633	82,598		
	12/10/2011	611,226	82,491	110,580		
	12/14/2011	592,964	79,849	106,110		
	12/17/2011	729,895	84,561	135,365		
	12/21/2011	846,951	114,786	116,104		
MD	12/24/2011	1,045,363	138,564	180,174		
	12/28/2011	493,477	69,824	86,675		
	12/31/2011	616,433	82,788	93,741		
	1/04/2012	482,465	66,868	75,877		
	1/07/2012	584,066	83,296	112,434		
	1/11/2012	547,667	78,657	88,111		
	1/14/2012	609,751	71,430	117,745		
	1/18/2012	873,766	75,153	67,549		
	1/21/2012	1,013,914	78,998	87,430		
	1/25/2012	1,090,652	104,696	159,813		
	1/28/2012	1,306,064	106,456	176,597		
	2/01/2012	1,651,586	135,651	212,428		
	2/04/2012	2,175,586	175,537	250,789		
	2/08/2012	2,892,248	234,448	374,505		
PB	2/11/2012	5,610,668	460,620	620,837		
	2/15/2012	884,588	82,618	151,443		
	2/18/2012	947,778	1,080,511	289,872		
	2/22/2012	828,906	71,237	132,153		
NY	2/25/2012	961,998	74,727	296,199		
	2/29/2012	737,180	79,960	216,707		
	3/03/2012	872,710	103,740	219,186		
PB	3/07/2012	759,046	57,240	60,539		
	3/10/2012	806,834	63,705	144,303		
	3/14/2012	689,644	50,992	121,345		
	3/17/2012	797,484	57,951	63,051		
NJ	3/21/2012	701,972	69,202	57,223		
	3/24/2012	749,576	67,936	61,197		
	3/28/2012	688,000	49,671	122,464		

Exhibit I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
3/31/2012	847,376	73,423	202,437		
* Totals *	86,044,718	14,072,587	14,318,729		

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
Georgia	547,158	17,194,986	16,200,967	2,217,678	676,501-
Illinois	164,421-	23,003,572	20,742,621	2,827,158	730,628-
Massachusetts	610,394-	10,497,565	12,040,216	1,737,285-	415,760-
Maryland	200,714	10,431,540	12,011,677	941,475-	437,948-
Michigan	189,701-	14,753,868	15,978,676	1,885,169-	470,660
New Jersey	122,517-	25,984,716	26,958,401	1,315,122-	218,920
New York	257,577	49,051,243	47,817,453	1,877,542	386,175-
Ohio	253,212-	14,072,587	14,318,729	41,469-	457,885-
POWER BALL					
Texas	40,349	24,632,969	24,727,367	166,754-	112,705
Virginia	336,568	12,576,849	12,563,982	1,208,532-	1,557,967
Washington State	42,121-	7,727,624	6,567,430	373,428	744,645
** Totals **		209,927,519	209,927,519		



Dave Yost • Auditor of State

OHIO LOTTERY COMMISSION POWERBALL

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 27, 2012**