



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 (Commission) and the other member lotteries in the states of California, Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Texas, Virginia and Washington (referred to as the "Member Lotteries") who operate Powerball, solely to assist the Commission and Member Lotteries with respect to the evaluation of the following financial information associated with Powerball: The Commission sales and prize expense for the period April 1, 2013 through March 31, 2014. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements 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 Commission the "Draw Activity" and "Fixed Prize Analysis" for the period April 1, 2013 through March 31, 2014 (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, 2013 to March 31, 2014 for testing and performed procedures "c", "d", and "e" below:
 - June 26, 2013
 - September 14, 2013
 - October 19, 2013
 - January 1, 2014
 - March 29, 2014
- 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 Commission'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 Commission'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 August 2013 and September 2013 and obtained the "Expired Prize Settlement Report" distributed by the Virginia Lottery. For the two months selected, we obtained from the Commission 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 amounts listed in the "Cash Option" column of the "Draw Activity" report attached as Exhibit I.
- i) We noted no purchase of investments associated with the jackpot prizes.
- j) We compared the total of the period transfers from the Commission to the Virginia Lottery for settlement of the fixed prize liability as shown in the Commission'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 Commission's payable as of March 31, 2014 for the fixed prizes as shown on the "Fixed Prize Analysis" report attached as Exhibit II to the Commission's financial accounting records and to the Powerball Prize Settlement Report as of March 31, 2014 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 Commission sales and prize expense for the period April 1, 2013 through March 31, 2014. 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 Commission and Member Lotteries, and is not intended to be and should not be used by anyone else.

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
Columbus, Ohio

September 23, 2014

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
	4/03/2013	691,536	79,030	211,758		
	4/06/2013	823,944	64,331	141,915		
	4/10/2013	733,634	52,030	53,414		
	4/13/2013	874,734	64,963	137,039		
	4/17/2013	785,318	1,057,832	193,026		
	4/20/2013	935,772	68,680	340,705		
	4/24/2013	1,044,126	84,321	82,996		
	4/27/2013	1,254,454	105,174	233,467		
	5/01/2013	1,331,626	120,112	172,761		
	5/04/2013	1,638,628	139,488	275,895		
	5/08/2013	2,014,740	1,160,789	297,497		
	5/11/2013	2,470,530	200,557	486,856		
	5/15/2013	5,018,416	2,398,525	1,191,051		
PB	5/18/2013	13,924,200	1,160,288	2,247,389		
	5/22/2013	793,750	66,357	274,867		
PB	5/25/2013	834,096	70,756	426,991		
TX	5/29/2013	663,286	66,746	116,009		
	6/01/2013	809,078	56,640	134,602		
	6/05/2013	718,344	50,474	52,981		
	6/08/2013	847,264	79,925	78,233		
	6/12/2013	767,540	54,939	124,263		
	6/15/2013	932,124	63,538	66,263		
	6/19/2013	945,616	70,049	75,517		
PB	6/22/2013	1,091,744	83,153	222,223		
	6/26/2013	650,040	58,479	50,546		
	6/29/2013	751,712	53,938	55,974		
	7/03/2013	694,150	60,229	123,445		
	7/06/2013	749,574	57,992	62,285		
	7/10/2013	733,044	52,269	187,635		
	7/13/2013	878,930	76,746	202,643		
	7/17/2013	937,154	83,359	77,616		
	7/20/2013	1,115,368	81,302	214,487		
	7/24/2013	1,160,416	97,654	160,769		
	7/27/2013	1,492,676	120,291	183,077		
	7/31/2013	2,022,324	150,705	223,907		
	8/03/2013	2,867,268	227,825	574,374		
NJ/PB	8/07/2013	8,067,570	642,224	1,582,886		
	8/10/2013	775,152	70,506	71,871		
	8/14/2013	722,586	65,355	123,726		
	8/17/2013	827,312	60,055	67,427		
	8/21/2013	781,192	88,915	71,059		
	8/24/2013	932,850	80,650	333,683		
	8/28/2013	1,075,000	111,928	177,548		
	8/31/2013	1,287,558	117,005	238,201		
	9/04/2013	1,283,066	118,716	179,798		
	9/07/2013	1,712,914	132,788	338,798		
	9/11/2013	1,982,722	169,303	362,883		
	9/14/2013	2,836,740	1,221,806	565,680		
PB	9/18/2013	5,547,410	478,881	823,091		
	9/21/2013	795,314	61,020	211,416		
	9/25/2013	706,906	64,814	128,364		
	9/28/2013	793,590	59,044	68,115		

	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	10/02/2013	753,300	59,587	198,114		
	10/05/2013	871,554	99,269	85,400		
	10/09/2013	929,852	74,024	273,870		
	10/12/2013	1,042,194	84,805	142,883		
	10/16/2013	1,124,652	85,827	152,883		
	10/19/2013	1,269,866	96,472	169,495		
CA	10/23/2013	1,434,632	112,626	496,104		
	10/26/2013	767,676	1,057,024	267,977		
	10/30/2013	649,352	48,167	49,573		
	11/02/2013	755,812	71,090	199,683		
	11/06/2013	692,976	66,591	65,522		
	11/09/2013	785,046	54,769	125,096		
	11/13/2013	795,238	58,170	63,680		
NY	11/16/2013	969,264	71,971	209,910		
	11/20/2013	619,462	1,049,749	126,616		
	11/23/2013	693,008	53,210	121,668		
	11/27/2013	668,342	50,201	54,248		
	11/30/2013	669,370	50,721	50,896		
	12/04/2013	707,640	57,707	63,961		
	12/07/2013	852,360	84,767	326,874		
MA/PB	12/11/2013	891,958	104,689	277,587		
	12/14/2013	823,496	58,674	129,271		
	12/18/2013	786,216	54,517	61,929		
	12/21/2013	670,086	60,942	55,444		
PB	12/25/2013	591,884	50,990	45,664		
	12/28/2013	610,352	45,399	181,794		
	1/01/2014	560,194	40,820	45,138		
	1/04/2014	629,874	44,293	116,851		
	1/08/2014	561,236	49,830	105,042		
	1/11/2014	688,634	48,666	114,405		
	1/15/2014	687,938	66,826	195,574		
	1/18/2014	832,792	62,889	197,122		
	1/22/2014	844,998	72,859	158,882		
	1/25/2014	944,444	69,370	137,122		
	1/29/2014	969,108	83,260	280,024		
	2/01/2014	1,282,922	1,116,995	469,893		
	2/05/2014	1,205,334	118,633	161,661		
	2/08/2014	1,536,112	123,297	378,618		
	2/12/2014	1,796,072	129,527	272,478		
	2/15/2014	2,321,622	1,217,596	653,966		
CA	2/19/2014	5,427,250	1,421,946	847,441		
	2/22/2014	715,860	55,735	135,983		
	2/26/2014	619,302	46,495	52,757		
CA	3/01/2014	761,334	61,898	76,376		
	3/05/2014	613,286	61,920	140,780		
	3/08/2014	688,458	61,629	210,017		
	3/12/2014	609,266	56,503	122,451		
	3/15/2014	729,952	62,521	60,970		
	3/19/2014	713,246	63,243	135,695		
PB	3/22/2014	763,448	74,558	215,436		
	3/26/2014	577,602	41,707	119,042		
	3/29/2014	645,392	52,814	57,704		
* Totals *		135,276,302	21,150,284	24,556,592		

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California					
Georgia	213,258-	36,841,689	27,525,065	9,851,079	747,713-
Illinois	2,185,455	31,729,032	33,879,405	855,636	820,554-
Massachusetts	1,198,798-	22,392,291	22,211,159	1,515,130-	497,464
Maryland	1,054,579	23,740,968	21,173,905	3,223,501	398,141
Michigan	1,398,453-	27,296,807	26,624,774	28,698-	697,722-
New Jersey	565,905	47,304,754	48,553,592	1,516,834-	833,901
New York	2,347,789-	85,659,932	82,072,683	1,204,664	34,796
Ohio	1,827,968	21,150,284	24,556,592	976,662-	601,678-
POWER BALL					
Texas	903,138-	40,545,070	46,570,614	6,928,682-	
Virginia	1,023,728	21,628,585	22,649,858	1,396,794-	1,399,249
Washington State	596,199-	9,219,750	11,691,515	2,772,080-	295,884-
** Totals **		367,509,162	367,509,162		

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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
OCTOBER 7, 2014**