



**OHIO LOTTERY COMMISSION
CUYAHOGA COUNTY**

POWERBALL AGREED-UPON PROCEDURES REPORT

FOR THE PERIOD JANUARY 31, 2010 THROUGH MARCH 31, 2011



Dave Yost • Auditor of State

**OHIO LOTTERY COMMISSION
CUYAHOGA COUNTY
TABLE OF CONTENTS**

TITLE	PAGE
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1
Exhibit I - Powerball Multi-State Lottery - Draw Activity For the Period January 31, 2010 to March 31, 2011.....	5
Exhibit II - Powerball Multi-State Lottery - Fixed Prize Analysis For the Period January 31, 2010 to March 31, 2011.....	8

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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 January 31, 2010 through March 31, 2011. 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 January 31, 2010 through March 31, 2011 (attached as Exhibit I and Exhibit II, respectively). We proved their mathematical accuracy with no exceptions noted.
- b) We randomly selected the following seven (7) drawings from the period January 31, 2010 to March 31, 2011 for testing and performed procedures "c", "d", and "e" below:

April 17, 2010
April 24, 2010
May 15, 2010
July 17, 2010
July 21, 2010
August 14, 2010
September 11, 2010

- 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 (October 2010 and November 2010) 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, 2011 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, 2011 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 January 31, 2010 through March 31, 2011. 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 initial "D".

Dave Yost
Auditor of State

September 30, 2011

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
8/04/2010	523,273	62,170	65,336		
8/07/2010	564,217	68,930	91,830		
8/11/2010	514,055	85,234	111,033		
8/14/2010	598,716	69,882	74,564		
8/18/2010	566,395	70,291	72,890		
8/21/2010	672,454	507,071	263,640		
8/25/2010	475,305	256,968	83,014		
8/28/2010	521,540	76,250	79,326		
9/01/2010	532,791	75,149	123,570		
9/04/2010	616,439	73,904	99,655		
9/08/2010	570,775	66,430	117,669		
9/11/2010	671,454	291,878	150,246		
9/15/2010	684,490	102,008	105,203		
9/18/2010	824,319	111,535	122,972		
9/22/2010	505,107	68,785	98,642		
9/25/2010	551,685	67,781	78,039		
9/29/2010	503,972	69,014	78,230		
10/02/2010	610,454	86,180	84,224		
10/06/2010	579,025	70,979	93,873		
10/09/2010	524,452	61,087	65,061		
10/13/2010	453,389	64,782	57,525		
10/16/2010	517,855	98,475	125,965		
10/20/2010	479,115	69,156	112,046		
10/23/2010	554,293	87,555	108,147		
10/27/2010	526,272	71,799	86,157		
10/30/2010	623,827	281,528	113,231		
11/03/2010	753,509	109,398	154,494		
11/06/2010	893,421	122,373	161,979		
11/10/2010	475,008	273,541	90,880		
11/13/2010	536,213	81,810	84,665		
11/17/2010	500,392	69,106	85,416		
11/20/2010	585,570	66,339	86,464		
11/24/2010	588,881	71,365	94,265		
11/27/2010	549,134	76,828	85,452		
12/01/2010	652,831	129,200	345,964		
12/04/2010	515,560	264,154	154,404		
12/08/2010	422,715	59,423	56,416		
12/11/2010	506,585	506,235	311,316		
12/15/2010	404,680	50,256	99,210		
12/18/2010	460,506	77,684	82,481		
12/22/2010	444,213	55,427	62,436		
12/25/2010	426,466	51,049	82,348		
12/29/2010	408,887	64,159	60,596		
1/01/2011	447,956	52,626	59,441		
1/05/2011	482,551	60,240	68,816		
1/08/2011	500,693	62,939	78,932		
1/12/2011	497,943	69,276	83,744		
1/15/2011	617,697	96,467	144,081		
1/19/2011	645,707	83,742	77,653		
1/22/2011	727,474	96,701	148,715		
1/26/2011	418,533	59,730	86,729		
1/29/2011	451,003	61,056	74,085		

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
2/02/2011	395,256	56,203	50,864		
2/05/2011	544,816	76,015	90,158		
2/09/2011	525,308	67,433	86,266		
2/12/2011	631,956	107,714	141,660		
2/16/2011	730,338	94,887	104,123		
2/19/2011	849,287	111,751	122,542		
2/23/2011	871,518	115,452	145,915		
2/26/2011	1,040,534	130,727	187,999		
3/02/2011	464,854	63,353	73,951		
3/05/2011	492,049	89,593	86,667		
3/09/2011	441,890	52,787	89,420		
3/12/2011	510,073	65,471	85,510		
3/16/2011	486,323	266,352	76,104		
3/19/2011	581,334	95,264	111,113		
3/23/2011	683,562	85,526	137,445		
3/26/2011	965,576	163,040	223,034		
3/30/2011	940,069	130,309	142,329		
	64,781,411	12,308,008	12,039,063		

* Totals *

	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In (Out)	Receivable (Payable)
Georgia	15,018,981	16,419,679	1,947,856-	547,158
Illinois	19,672,151	18,960,910	875,662	164,421-
Massachusetts	11,643,382	12,850,481	596,705-	610,394-
Maryland	11,388,378	11,819,041	631,377-	200,714
Michigan	14,395,855	15,933,845	1,348,289-	189,701-
New Jersey	27,176,431	26,548,029	750,919	122,517-
New York	44,795,645	40,385,325	4,152,743	257,577
Ohio	12,308,008	12,039,063	522,157	253,212-
POWER BALL				
Texas	20,285,237	20,186,504	58,384	40,349
Virginia	11,847,106	12,543,970	1,033,432-	336,568
Washington State	6,682,053	7,526,380	802,206-	42,121-
** Totals **	195,213,227	195,213,227		



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
DECEMBER 8, 2011