



OHIO AUDITOR OF STATE  
**KEITH FABER**





**OHIO LOTTERY COMMISSION  
CUYAHOGA COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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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 (the 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, 2018 through March 31, 2019. 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.

This report only describes exceptions exceeding \$10.

Our procedures were as follows:

- a) We obtained from the Commission the "Draw Activity" and "Fixed Prize Analysis" for the period April 1, 2018 through March 31, 2019 (attached as Exhibit I and Exhibit II, respectively). We proved their mathematical accuracy with no exceptions noted.
- b) We selected a sample (agreed upon) of the following five (5) drawings from the period April 1, 2018 to March 31, 2019 for testing and performed procedures "c", "d", and "e" below:

May 12, 2018  
July 25, 2018  
September 29, 2018  
December 26, 2018  
March 13, 2019

- 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 selected a sample (agreed upon) of two months (April 2018 and June 2018) 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) For the amounts listed in the "Cash Option Amount" column of the "Draw Activity" report attached as Exhibit I, we obtained and compared the amount to the Commission's cash disbursement subsidiary records which summarize the funds disbursed to the prize winner and found them to be in agreement.
- i) We inspected subsidiary bank and investment records to determine whether any purchases of investments associated with the jackpot prizes were made and found none.
- 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, 2019 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, 2019 and found them to be in agreement.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Commission's sales and prize expense. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Ohio Lottery Commission  
Cuyahoga County  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
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This report is for the evaluation of the financial information enumerated in our procedures above and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

August 23, 2019

Exhibit I – Draw Activity  
Exhibit II – Fixed Prize Analysis

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# VIRGINIA LOTTERY

POWER BALL  
Ohio Draw Activity

From 4/4/2018 To 3/30/2019

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/4/2018	644,836	56,566	152,854	0	0.00
	4/7/2018	781,316	66,243	91,936	0	0.00
	4/11/2018	707,986	60,026	64,240	0	0.00
	4/14/2018	861,162	75,150	104,526	0	0.00
	4/18/2018	798,122	183,916	313,563	0	0.00
	4/21/2018	922,054	131,637	103,962	0	0.00
	4/25/2018	854,260	128,155	109,682	0	0.00
	4/28/2018	975,420	89,965	193,779	0	0.00
	5/2/2018	915,876	134,282	194,585	0	0.00
	5/5/2018	1,081,730	94,606	108,533	0	0.00
	5/9/2018	1,093,496	146,392	217,581	0	0.00
	5/12/2018	1,263,300	111,835	136,964	0	0.00
	5/16/2018	1,232,384	109,800	156,805	0	0.00
NJ	5/19/2018	1,499,452	186,938	317,931	0	0.00
	5/23/2018	632,334	61,935	76,329	0	0.00
	5/26/2018	688,368	58,179	67,953	0	0.00
	5/30/2018	581,470	48,232	60,658	0	0.00
	6/2/2018	727,802	73,718	77,459	0	0.00
	6/6/2018	649,260	55,995	64,478	0	0.00

# VIRGINIA LOTTERY

POWER BALL  
Ohio Draw Activity

From 4/4/2018 To 3/30/2019

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	6/9/2018	759,596	70,066	102,057	0	0.00
	6/13/2018	714,948	112,133	76,599	0	0.00
	6/16/2018	812,826	125,677	179,117	0	0.00
PB	6/20/2018	752,190	76,892	95,243	0	0.00
	6/23/2018	655,884	56,224	63,867	0	0.00
	6/27/2018	570,014	99,076	66,389	0	0.00
	6/30/2018	655,616	106,571	68,800	0	0.00
	7/4/2018	572,232	54,279	79,531	0	0.00
	7/7/2018	675,530	106,774	65,023	0	0.00
	7/11/2018	638,310	65,908	96,112	0	0.00
	7/14/2018	793,786	73,501	154,763	0	0.00
	7/18/2018	741,742	172,117	114,909	0	0.00
	7/21/2018	924,372	79,260	106,626	0	0.00
	7/25/2018	979,090	137,392	104,914	0	0.00
	7/28/2018	912,600	89,036	116,103	0	0.00
	8/1/2018	911,274	81,394	83,944	0	0.00
	8/4/2018	1,094,836	145,926	121,673	0	0.00
	8/8/2018	1,098,862	96,681	126,212	0	0.00
NY	8/11/2018	1,216,798	103,042	214,505	0	0.00

# VIRGINIA LOTTERY

POWER BALL  
Ohio Draw Activity

From 4/4/2018 To 3/30/2019

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/15/2018	593,392	100,656	148,984	0	0.00
	8/18/2018	651,952	53,047	66,220	0	0.00
	8/22/2018	576,740	108,488	77,488	0	0.00
	8/25/2018	660,998	61,172	78,456	0	0.00
	8/29/2018	580,664	52,424	64,312	0	0.00
	9/1/2018	689,372	63,191	168,206	0	0.00
	9/5/2018	628,510	62,368	72,121	0	0.00
	9/8/2018	736,126	68,079	86,117	0	0.00
	9/12/2018	694,856	159,152	74,227	0	0.00
	9/15/2018	786,984	76,560	104,699	0	0.00
	9/19/2018	744,072	68,005	84,400	0	0.00
	9/22/2018	845,160	73,546	91,861	0	0.00
	9/26/2018	822,146	81,746	191,015	0	0.00
	9/29/2018	987,092	133,698	187,402	0	0.00
	10/3/2018	990,030	89,275	182,915	0	0.00
	10/6/2018	1,218,246	156,105	233,549	0	0.00
	10/10/2018	1,319,166	129,660	232,485	0	0.00
	10/13/2018	1,974,762	223,281	333,933	0	0.00
	10/17/2018	3,348,770	347,891	552,495	0	0.00

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POWER BALL  
Ohio Draw Activity

4/19/2019 9:03:07 AM

From 4/4/2018 To 3/30/2019

	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	10/20/2018	5,418,492	626,375	860,705	0	0.00
	10/24/2018	7,425,766	848,525	959,795	0	0.00
NY/PB	10/27/2018	5,641,408	1,878,667	1,341,309	0	0.00
	10/31/2018	771,754	64,405	77,013	0	0.00
	11/3/2018	791,118	75,581	82,475	0	0.00
	11/7/2018	686,766	59,096	86,691	0	0.00
	11/10/2018	761,866	64,884	80,071	0	0.00
	11/14/2018	709,816	59,801	71,910	0	0.00
	11/17/2018	789,638	177,332	101,570	0	0.00
	11/21/2018	792,308	70,626	96,520	0	0.00
	11/24/2018	726,298	64,518	82,124	0	0.00
	11/28/2018	736,908	61,803	162,492	0	0.00
	12/1/2018	843,234	74,211	109,251	0	0.00
	12/5/2018	793,424	74,967	98,537	0	0.00
	12/8/2018	887,062	81,920	92,713	0	0.00
	12/12/2018	838,000	76,055	170,534	0	0.00
	12/15/2018	961,968	82,848	93,467	0	0.00
	12/19/2018	905,540	75,548	274,869	0	0.00
	12/22/2018	1,089,172	197,577	136,473	0	0.00

# VIRGINIA LOTTERY

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POWER BALL  
Ohio Draw Activity

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From 4/4/2018 To 3/30/2019

	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
NY	12/26/2018	1,197,808	154,360	218,738	0	0.00
	12/29/2018	828,680	69,554	262,605	0	0.00
	1/2/2019	714,078	65,535	77,905	0	0.00
	1/5/2019	707,330	115,516	196,485	0	0.00
	1/9/2019	635,894	54,351	65,417	0	0.00
	1/12/2019	718,004	60,958	162,071	0	0.00
	1/16/2019	706,130	59,386	71,856	0	0.00
	1/19/2019	829,780	68,812	169,519	0	0.00
	1/23/2019	703,826	113,288	71,817	0	0.00
	1/26/2019	847,680	182,477	106,873	0	0.00
	1/30/2019	737,078	119,324	96,433	0	0.00
	2/2/2019	890,092	88,995	116,803	0	0.00
	2/6/2019	871,672	75,649	91,362	0	0.00
	2/9/2019	984,146	193,896	256,756	0	0.00
	2/13/2019	909,814	234,758	114,564	0	0.00
	2/16/2019	1,091,028	142,485	290,581	0	0.00
	2/20/2019	997,866	187,965	215,273	0	0.00
	2/23/2019	1,282,856	128,395	190,036	0	0.00
	2/27/2019	1,215,592	156,529	207,811	0	0.00

# VIRGINIA LOTTERY

POWER BALL  
Ohio Draw Activity

From 4/4/2018 To 3/30/2019

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	3/2/2019	1,531,190	1,134,663	254,221	0	0.00
	3/6/2019	1,467,248	130,952	187,221	0	0.00
	3/9/2019	1,876,652	217,431	289,271	0	0.00
	3/13/2019	2,050,772	234,710	379,041	0	0.00
	3/16/2019	2,604,714	287,702	370,309	0	0.00
	3/20/2019	4,319,624	481,569	540,639	0	0.00
	3/23/2019	5,710,854	617,151	952,926	0	0.00
PB	3/27/2019	8,745,536	792,443	1,201,353	0	0.00
	3/30/2019	811,832	70,131	82,142	0	0.00
<b>* Totals *</b>		<b>128,798,486</b>	<b>16,787,587</b>	<b>19,899,637</b>		

# VIRGINIA LOTTERY

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## POWER BALL Fixed Prize Analysis

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From 04/04/2018 To 03/30/2019

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
Georgia	258,654	22,124,223	21,267,834	1,402,400	(287,357)
Illinois	(210,726)	23,434,945	22,480,560	(115,952)	859,611
Massachusetts	337,115	16,244,654	19,317,026	(1,039,069)	(1,696,188)
Maryland	(1,628,659)	15,912,839	16,252,859	(2,925,040)	956,361
Michigan	(1,743,158)	23,061,728	21,496,999	989,812	(1,168,241)
New Jersey	1,673,342	37,838,657	34,201,988	3,332,163	1,977,848
New York	1,509,117	56,319,837	58,040,885	(809,669)	597,738
Ohio	(428,108)	16,787,587	19,899,637	(3,115,239)	(424,919)
Texas				0	
Virginia	(608,483)	17,609,898	17,418,022	(157,049)	(259,558)
Washington State	840,906	11,007,433	9,965,991	2,437,643	(555,295)
<b>Totals</b>		<b>240,341,801</b>	<b>240,341,801</b>		

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# OHIO AUDITOR OF STATE KEITH FABER



**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  
SEPTEMBER 17, 2019**