



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 (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, 2016 through March 31, 2017. 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, 2016 through March 31, 2017 (attached as Exhibit I and Exhibit II, respectively). We mathematically checked their accuracy and found them to be in agreement.
- b) We haphazardly selected the following five (5) drawings from the period April 1, 2016 to March 31, 2017 for testing and performed procedures "c", "d", and "e" below:

May 21, 2016
July 6, 2016
September 3, 2016
December 3, 2016
March 1, 2017

- 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 haphazardly selected two months (May 2016 and June 2016) 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, 2017 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, 2017 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 for the period April 1, 2016 through March 31, 2017. 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.

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 "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

September 13, 2017

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 Amt	Cash Option Amt
	4/02/2016	927,022	135,298	124,409		
	4/06/2016	925,992	79,593	182,517		
	4/09/2016	998,744	139,256	210,145		
	4/13/2016	1,025,652	87,115	201,297		
	4/16/2016	1,172,862	158,814	250,711		
	4/20/2016	1,232,694	112,508	135,994		
	4/23/2016	1,365,580	131,125	262,745		
	4/27/2016	1,459,646	129,252	139,648		
	4/30/2016	1,787,504	162,313	410,929		
NJ	5/04/2016	2,640,952	238,483	418,012		
	5/07/2016	4,522,010	557,753	1,035,386		
	5/11/2016	663,960	57,715	74,081		
	5/14/2016	697,214	114,711	77,968		
	5/18/2016	621,518	57,258	168,266		
	5/21/2016	700,426	77,172	210,066		
	5/25/2016	620,756	54,257	55,116		
	5/28/2016	691,334	62,801	92,664		
	6/01/2016	660,406	59,828	165,224		
	6/04/2016	776,112	68,591	81,377		
	6/08/2016	733,094	61,742	77,576		
	6/11/2016	796,232	128,351	174,589		
	6/15/2016	774,368	73,115	188,925		
	6/18/2016	881,896	81,882	280,777		
	6/22/2016	844,482	74,176	104,938		
	6/25/2016	986,066	88,086	189,618		
	6/29/2016	1,071,710	93,745	209,898		
	7/02/2016	1,441,238	177,372	178,533		
	7/06/2016	1,508,412	133,609	160,591		
	7/09/2016	1,671,216	251,452	390,793		
	7/13/2016	1,518,638	189,849	276,086		
	7/16/2016	1,639,214	147,998	253,349		
	7/20/2016	1,716,068	155,211	261,179		
	7/23/2016	1,963,772	184,324	226,427		
	7/27/2016	3,075,736	1,362,580	511,361		
PB	7/30/2016	4,313,396	759,296	1,021,565		
	8/03/2016	767,336	116,792	95,872		
	8/06/2016	777,462	70,768	84,539		
	8/10/2016	699,174	64,135	71,822		
	8/13/2016	798,502	70,299	177,209		
	8/17/2016	738,390	65,533	67,776		
	8/20/2016	869,268	73,635	190,692		
	8/24/2016	828,350	118,565	182,229		
	8/27/2016	926,440	75,590	89,739		
	8/31/2016	919,816	136,008	94,833		
	9/03/2016	1,052,728	190,351	113,793		
	9/07/2016	977,384	134,805	189,275		
	9/10/2016	1,130,612	101,450	116,592		
	9/14/2016	1,151,700	157,363	270,828		
GA	9/17/2016	1,278,612	161,709	134,743		
	9/21/2016	627,708	54,242	68,944		
	9/24/2016	682,460	58,972	59,668		
	9/28/2016	620,472	51,230	56,232		
	10/01/2016	718,146	62,281	65,059		

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amt	Cash Option Amt
10/05/2016	659,090	58,564	78,458		
10/08/2016	735,414	166,056	89,356		
10/12/2016	728,480	59,911	83,704		
10/15/2016	833,718	69,812	90,425		
10/19/2016	795,778	68,704	76,701		
10/22/2016	892,012	75,113	98,218		
10/26/2016	851,288	73,275	89,980		
10/29/2016	942,144	82,905	188,912		
11/02/2016	976,642	88,917	119,969		
11/05/2016	1,133,872	102,932	119,446		
11/09/2016	1,116,212	99,493	126,805		
11/12/2016	1,311,160	213,520	239,517		
11/16/2016	1,447,884	137,632	172,468		
11/19/2016	1,716,358	197,762	265,051		
11/23/2016	2,182,846	297,107	331,857		
PB 11/26/2016	2,529,430	221,313	267,074		
11/30/2016	629,050	65,175	96,964		
12/03/2016	707,426	112,910	174,788		
12/07/2016	648,802	53,848	52,763		
12/10/2016	729,390	66,162	72,936		
12/14/2016	741,348	114,710	85,441		
PB 12/17/2016	831,778	78,685	193,032		
12/21/2016	595,714	53,933	59,560		
12/24/2016	750,888	162,706	104,379		
12/28/2016	576,842	50,348	57,257		
12/31/2016	811,550	124,267	94,533		
1/04/2017	611,468	55,394	61,060		
1/07/2017	686,844	63,604	167,557		
1/11/2017	671,052	109,403	88,076		
1/14/2017	817,326	80,680	103,835		
1/18/2017	744,416	117,214	162,297		
1/21/2017	885,724	176,156	185,072		
1/25/2017	834,436	119,128	89,948		
1/28/2017	968,710	85,796	267,250		
2/01/2017	1,072,410	146,447	105,172		
2/04/2017	1,284,034	166,173	221,433		
2/08/2017	1,430,180	131,289	244,373		
2/11/2017	1,674,330	202,204	208,048		
2/15/2017	2,026,364	232,466	501,227		
2/18/2017	2,450,436	471,169	559,344		
PB 2/22/2017	5,037,242	550,398	1,011,614		
2/25/2017	736,096	62,222	79,248		
3/01/2017	653,530	57,685	87,187		
3/04/2017	751,406	67,549	96,385		
3/08/2017	703,954	61,872	88,936		
3/11/2017	855,784	78,988	87,837		
3/15/2017	801,520	67,571	171,288		
3/18/2017	926,728	84,922	99,332		
PB 3/22/2017	885,026	186,189	246,721		
3/25/2017	699,720	157,934	92,928		
3/29/2017	599,912	105,394	81,978		
* Totals *	118,674,246	14,743,966	19,470,345		

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California					
Georgia	93,286	24,886,024	19,768,993	2,682,870	2,527,447
Illinois	122,296	19,876,252	22,789,101	2,266,359-	524,194-
Massachusetts	842,378-	17,904,328	18,206,514	918,100-	226,464-
Maryland		6,771,688	6,319,768		451,920
Michigan	987,431-	17,540,985	21,140,340	2,621,848-	1,964,938-
New Jersey	770,024	36,046,158	33,497,953	2,267,030	1,051,199
New York	918,815	58,228,952	55,084,725	1,940,800	2,122,242
Ohio	884,684-	14,743,966	19,470,345	3,482,111-	2,128,952-
POWER BALL					
Texas					
Virginia	1,329,854	16,809,448	16,718,588	2,645,253	1,224,539-
Washington State	519,782-	9,329,190	9,140,664	247,535-	83,721-
** Totals **		222,136,991	222,136,991		

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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
SEPTEMBER 26, 2017