

INDEPENDENT ACCOUNTANT'S REPORT ON
MONTANA CASH DRAWINGS

Montana State Lottery

June 30, 2008

GALUSHA, HIGGINS & GALUSHA
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Montana State Lottery

June 30, 2008

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LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor
Monica Huyg, Legal Counsel



Deputy Legislative Auditors:
James Gillett
Angie Grove

October 2008

The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the audit of Montana State Lottery Observations for the fiscal year ended June 30, 2008.

The audit was conducted by Galusha, Higgins & Galusha, PC, under a contract between the firm and our office. There are no recommendations in this report.

Respectfully submitted,

/s/ Tori Hunthausen

Tori Hunthausen, CPA
Legislative Auditor

08C-03

Montana State Lottery
COMMISSION MEMBERS AND ADMINISTRATIVE OFFICIALS
June 30, 2008

COMMISSION MEMBERS

Robert Crippen, CPA, Chairperson

Beth O'Halloran

Craig Anderson, Sheriff

Thomas M. Keegan, Attorney at Law

Wilbur Rehman

RESIDENCE

Butte

Missoula

Glendive

Helena

Helena

ADMINISTRATIVE OFFICIALS

George Parisot, Montana State Lottery Director

John Tarr, Montana State Lottery Director of Security

Montana State Lottery
INTRODUCTION, BACKGROUND, AND REPORTABLE OBSERVATIONS
June 30, 2008

INTRODUCTION

We performed the following agreed-upon procedures for the Montana State Lottery for the year ended June 30, 2008:

- 1) Witnessed and reported on each Montana Cash drawing;
- 2) examined all lottery drawing equipment prior to and after each drawing; and
- 3) tested compliance with applicable statutes and regulations.

BACKGROUND

The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are contained in Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose of the law is to allow lottery games in which players purchase from the State, through the administration of the Montana State Lottery, a chance to win a prize.

REPORTABLE OBSERVATIONS

In addition to the independent Accountant's report on agreed-upon procedures, we are to report on serious inadequacies in operating controls and procedures, activities not authorized by the legislature, and our recommendations to the State and the Montana State Lottery. We have nothing to report in those areas.



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Commissioners
Montana State Lottery
Helena, Montana

We have performed the procedures enumerated below, which were agreed to by the Montana State Lottery and the Montana Legislative Audit Division with respect to the Montana Cash drawings of the Montana State Lottery for the year ended June 30, 2008. The Montana State Lottery is responsible for the Montana Cash drawing. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

All drawings are conducted in accordance with applicable rules and regulations.

All drawings are conducted in a secure, honest and fair manner.

The procedures we performed and our findings where applicable are summarized as follows:

1. We read the "Montana Cash Drawing Procedures." In performing this and other steps of our procedures, we gave consideration to the adequacy of controls over the drawing process.
2. We observed the unlocking of the machine cabinet and determined that the seals on the machine cabinet door, ball locker, and ball sets were unbroken and that the seals were numbered the same as the seals placed there when we were last present.
3. We observed the random selection of the primary and back-up drawing machines and the primary and alternate ball sets.
4. We observed the pre-drawing tests, recorded the results and determined that the applicable procedures were followed.
5. We observed the official "Montana Cash" drawings and determined that the applicable procedures were followed.

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To the Commissioners
Montana State Lottery

6. We observed the performance of the post-drawing tests, recorded the results and determined that the applicable procedures were followed.
7. We observed the resealing of the ball sets, ball locker and machine cabinet door.

The procedures we performed and our findings where applicable are summarized as follows:

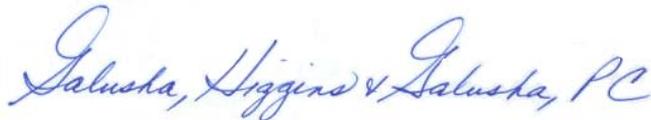
1. We read the "Montana Cash Drawing Procedures." In performing this and other steps of our procedures, we gave consideration to the adequacy of controls over the drawing process.
2. We observed the disarming and unlocking of the machine cabinet and determined that the seal on the machine cabinet door was unbroken and that the seal was numbered the same as the seal placed there when we were last present.
3. We observed the random selection of the primary and back-up Automated Draw Machine (ADM).
4. We observed the pre-test, and determined that the applicable procedures were followed.
5. We observed the official "Montana Cash" drawings and determined that the applicable procedures were followed.
6. We observed the resealing of the ADM, machine cabinet door and re-arming the machine cabinet.

We have furnished the Legislative Audit Division with a summary letter after each drawing stating that the Montana Cash drawings were performed and observed by us. The letters would include any unusual occurrences or deviations from the established rules and procedures.

No exceptions were found as a result of applying the above procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Montana Cash drawing procedures for the year ended June 30, 2008. 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 information and use of the Montana State Lottery and the Montana Legislative Audit Division and is not intended to be and should not be used by anyone other than these specified parties.



GALUSHA, HIGGINS AND GALUSHA, PC
Certified Public Accountants and Advisors

Helena, Montana
June 28, 2008

Montana State Lottery

STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2008*

The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

<u>Date</u>	<u>Winning Numbers</u>				
July 4, 2007	26	20	9	23	12
July 7, 2007	22	33	31	26	28
July 11, 2007	21	1	6	32	12
July 14, 2007	26	20	28	6	19
July 18, 2007	15	17	23	31	33
July 21, 2007	10	34	32	30	22
July 25, 2007	23	11	14	35	12
July 28, 2007	2	37	17	35	30
August 1, 2007	30	5	29	23	1
August 4, 2007	16	32	24	35	9
August 8, 2007	22	35	27	33	21
August 11, 2007	27	29	21	31	36
August 15, 2007	30	4	22	34	9
August 18, 2007	4	27	26	5	23
August 22, 2007	8	27	22	24	17
August 25, 2007	22	20	25	32	27
August 29, 2007	16	9	35	21	29
September 1, 2007	22	13	6	10	2
September 5, 2007	10	13	17	5	29
September 8, 2007	11	37	17	9	19
September 12, 2007	29	32	7	18	25
September 15, 2007	31	3	13	17	16
September 19, 2007	19	34	31	36	37
September 22, 2007	27	22	29	3	15
September 26, 2007	28	2	32	24	27
September 29, 2007	14	30	19	32	2
October 3, 2007	2	25	13	1	23
October 6, 2007	14	25	5	17	22
October 10, 2007	34	17	8	5	31
October 13, 2007	29	34	24	14	2
October 17, 2007	8	29	17	19	26
October 20, 2007	20	35	31	12	18
October 24, 2007	15	8	37	27	16
October 27, 2007	9	1	36	30	18
October 31, 2007	34	14	22	24	18

Continued

Montana State Lottery

STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2008*

<u>Date</u>	<u>Winning Numbers</u>				
November 3, 2007	33	18	20	27	34
November 7, 2007	24	37	8	2	1
November 10, 2007	13	3	34	22	14
November 14, 2007	6	16	1	29	26
November 17, 2007	32	5	29	3	36
November 21, 2007	5	36	14	35	29
November 24, 2007	37	19	33	8	29
November 28, 2007	21	30	24	15	32
December 1, 2007	22	29	13	20	9
December 5, 2007	7	19	5	25	3
December 8, 2007	24	4	15	37	7
December 12, 2007	12	5	6	32	20
December 15, 2007	4	16	1	3	26
December 19, 2007	12	31	1	33	26
December 22, 2007	31	28	30	19	33
December 26, 2007	11	20	4	14	34
December 29, 2007	11	17	32	5	6
January 2, 2008	21	27	24	32	29
January 5, 2008	27	14	11	29	4
January 9, 2008	24	31	7	5	27
January 12, 2008	28	4	10	29	11
January 16, 2008	3	2	25	6	17
January 19, 2008	14	22	33	31	21
January 23, 2008	34	23	10	17	20
January 26, 2008	24	3	2	17	13
January 30, 2008	31	22	10	2	6
February 2, 2008	25	18	10	30	31
February 6, 2008	26	4	12	23	9
February 9, 2008	35	30	26	15	7
February 13, 2008	10	1	36	16	2
February 16, 2008	16	26	4	7	13
February 20, 2008	29	12	7	28	8
February 23, 2008	4	31	24	35	1
February 27, 2008	12	2	13	23	1

Continued

Montana State Lottery

STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2008*

<u>Date</u>	<u>Winning Numbers</u>				
March 1, 2008	16	24	18	13	22
March 5, 2008	6	21	37	26	1
March 8, 2008	21	22	32	8	3
March 12, 2008	6	23	34	10	26
March 15, 2008	4	11	20	21	26
March 19, 2008	25	23	11	5	4
March 22, 2008	24	12	25	19	17
March 26, 2008	1	12	32	13	19
March 29, 2008	9	12	15	25	32
April 2, 2008	36	9	29	24	8
April 5, 2008	9	27	30	36	24
April 9, 2008	26	3	21	30	29
April 12, 2008	16	29	6	33	30
April 16, 2008	15	19	12	27	6
April 19, 2008	2	7	22	37	26
April 23, 2008	28	33	36	8	23
April 26, 2008	27	34	19	37	32
April 30, 2008	12	1	19	30	17
May 3, 2008	34	1	32	13	16
May 7, 2008	10	31	30	25	4
May 10, 2008	26	15	2	23	30
May 14, 2008	37	21	15	18	36
May 17, 2008	32	30	28	11	3
May 21, 2008	32	11	24	9	28
May 24, 2008	22	10	4	14	33
May 28, 2008	29	35	3	9	25
May 31, 2008	11	13	5	19	22
June 4, 2008	35	20	16	24	4
June 7, 2008	16	23	18	25	37
June 11, 2008	18	6	33	5	4
June 14, 2008	12	13	24	3	27
June 18, 2008	37	28	4	22	34
June 21, 2008	33	14	21	36	24
June 25, 2008	24	11	33	13	9
June 28, 2008	25	32	4	3	12

Concluded