

**CITY OF SANTA ANA, CALIFORNIA**

**INDEPENDENT ACCOUNTANTS' REPORT ON  
RANDOM SELECTION (LOTTERY) PROCESS  
CONDUCTED UNDER THE PROVISIONS OF MEASURE BB**

**FEBRUARY 12, 2015**

**INDEPENDENT ACCOUNTANTS' REPORT ON  
RANDOM SELECTION (LOTTERY) PROCESS  
CONDUCTED UNDER THE PROVISIONS OF MEASURE BB**

City of Santa Ana  
Santa Ana, California

**Background - Sole Provision of Measure BB Related to this Engagement**

Section 18-617.01 of Measure BB requires the City's Director of Planning and Building (the Director) to issue, review and approve registration applications forms for operating Medical Marijuana Cooperatives/Collectives within the City. This section states in part: "Once all applications are processed, the Director shall hold a "lottery" process in an open and public location and select 20 applications". On this engagement, the City has subcontracted the Random Selection (Lottery) Process to our firm. This is our firm's sole involvement with the Measure BB process.

**Qualifications of Our Firm**

The Random Selection (Lottery) Process was planned and conducted by a Principal in our firm's Irvine office. He was licensed in California in 1970, and has 48 years of experience in Public Accounting. The Principal supervised three WNDE professionals during the Random Selection (Lottery) Process.

**Procedures for Random Selection (Lottery) Process**

*Our Firm's Due Diligence and Advanced Procedures*

In advance of the Random Selection (Lottery) Process, we performed the due diligence and advanced procedures noted below:

- We reviewed certain guidelines and standards for conducting lotteries, as published by the North American Association of State and Provincial Lotteries (NASPL), an organization whose members consist of all state lotteries in the U.S. and Canada (including the California Lottery), solely to determine the equipment needed to conduct a Lottery with over 600 applicants.
- We reviewed prospective vendors of lottery equipment. We purchased a manually-operated raffle drum, and 1,000 ping pong balls, laser printed with numbers from 1 to 1,000. This equipment was delivered directly to our firm.

## **Procedures for Random Selection (Lottery) Process (Continued)**

### *Our Firm's Due Diligence and Advanced Procedures (Continued)*

- After City officials had issued, reviewed and approved all applications, we obtained the City's "Qualified Registration List", and assigned random lottery numbers to each applicant using special software.

### *Control Procedures Performed by Our Firm on the Day of the Random Selection (Lottery) Process*

On the day of the Random Section (Lottery) Process, February 5, 2015, we performed the following control procedures in connection with the random selection process:

1. The City's Qualified Registration List had a total of 627 applications approved for the Random Selection (Lottery) Process. We obtained the City's Qualified Registration List distributed during the Random Selection (Lottery) Process and verified that the "Lottery Numbers" assigned to each applicant agreed with the random numbers assigned by our firm.
2. Prior to arrival at City Hall, two WNDE professional staff members accounted for all ping pong balls from numbers 1 through 627, placed the balls in bags of 50 each, and signed each bag as to the number of balls in each bag
3. Upon arrival at the City Council Chambers, the raffle drum was setup and installed.
4. The ping pong balls were then loaded into the raffle drum using the following control procedures:
  - The Principal and three WNDE professional staff members opened each bag of 50 balls.
  - Each ball was **individually** placed in the raffle drum under the observation of all four of WNDE's professional personnel.
  - A written record was made of each ball placed in the drum.
  - At the end of the procedure, all four WNDE personnel signed a form, representing and attesting that all had personally observed the loading process, and that the raffle drum contained 627 balls numbered from 1 to 627.
5. The Principal presented introductory comments to the attendees using a PowerPoint slide presentation, including an explanation of the control and random selection procedures.
6. Each ball was drawn by the Principal by reaching into the raffle drum, without looking at the ball number drawn. Each selection was announced verbally and the number was simultaneously projected on an overhead screen.
7. The raffle drum was rotated by a WNDE professional staff member between each draw.

## **Procedures for Random Selection (Lottery) Process (Continued)**

### *Control Procedures Performed by Our Firm on the Day of the Random Selection (Lottery) Process (Continued)*

8. A record of the order each ball was drawn was made by two WNDE professional staff members and separately by a City official. At the end of the drawing, all three parties confirmed the order in which the balls were drawn, that all 627 balls had been drawn from the raffle drum, and that no ball numbers had been duplicated.
  
9. A copy of the final results was transmitted to City officials by hard copy and e-mail.

### *Conclusion*

The final results of the Random Selection (Lottery) Process are included herein at Attachment I.

Regarding the Random Selection (Lottery) Process, we have applied the highest levels of integrity, ethics and trust under the guidelines and principles of the American Institute of Certified Public Accountants (AICPA). No City of Santa Ana employee or elected official provided any guidance or direction on how to conduct the Random Selection (Lottery) Process. In connection with the services provided to the City under this contract, we have concluded that the Random Selection (Lottery) Process, as conducted on February 5, 2015, was random, independent, objective and unbiased.

*White Nelson Nick Evans LLP*

Irvine, California  
February 12, 2015

**ATTACHMENT I**

**CITY OF SANTA ANA, CALIFORNIA**

**FINAL RESULTS OF RANDON NUMBER (LOTTERY) PROCESS  
CONDUCTED UNDER THE PROVISIONS OF MEASURE BB**

**FEBRUARY 5, 2015**

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
1	407
2	337
3	381
4	22
5	577
6	348
7	360
8	598
9	356
10	181
11	132
12	454
13	257
14	321
15	623
16	73
17	123
18	564
19	355
20	249
21	372
22	624
23	507
24	342
25	128
26	207
27	70
28	620
29	6
30	576

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
31	236
32	568
33	485
34	15
35	42
36	171
37	349
38	438
39	431
40	118
41	561
42	32
43	426
44	191
45	398
46	252
47	160
48	86
49	399
50	468
51	418
52	109
53	511
54	3
55	78
56	88
57	536
58	392
59	120
60	51

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
61	400
62	625
63	209
64	357
65	85
66	315
67	121
68	267
69	202
70	420
71	332
72	112
73	261
74	506
75	54
76	328
77	157
78	291
79	590
80	241
81	285
82	170
83	175
84	364
85	282
86	186
87	589
88	180
89	496
90	163



**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
91	286
92	95
93	475
94	135
95	206
96	233
97	335
98	222
99	544
100	113
101	250
102	333
103	125
104	60
105	316
106	319
107	25
108	608
109	102
110	141
111	322
112	228
113	627
114	580
115	143
116	353
117	105
118	621
119	456
120	288

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
121	358
122	396
123	387
124	187
125	482
126	272
127	162
128	185
129	327
130	547
131	184
132	594
133	375
134	177
135	29
136	421
137	164
138	512
139	552
140	237
141	619
142	138
143	422
144	174
145	306
146	139
147	193
148	244
149	606
150	415

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
151	516
152	178
153	413
154	49
155	19
156	304
157	275
158	607
159	405
160	169
161	242
162	592
163	127
164	374
165	34
166	229
167	189
168	509
169	172
170	46
171	440
172	556
173	538
174	472
175	501
176	567
177	147
178	270
179	558
180	359

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
181	323
182	476
183	303
184	43
185	613
186	200
187	559
188	240
189	457
190	491
191	341
192	72
193	586
194	465
195	197
196	394
197	107
198	494
199	201
200	80
201	283
202	5
203	529
204	363
205	44
206	246
207	59
208	21
209	289
210	469

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
211	284
212	12
213	259
214	489
215	481
216	96
217	83
218	535
219	585
220	198
221	571
222	410
223	36
224	268
225	412
226	156
227	409
228	145
229	452
230	503
231	344
232	258
233	445
234	90
235	149
236	367
237	158
238	528
239	223
240	492

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
241	377
242	579
243	307
244	23
245	176
246	473
247	562
248	192
249	548
250	53
251	584
252	74
253	281
254	493
255	13
256	527
257	106
258	510
259	231
260	591
261	117
262	31
263	513
264	599
265	208
266	142
267	27
268	505
269	131
270	474

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
271	115
272	66
273	93
274	626
275	183
276	487
277	560
278	380
279	525
280	91
281	14
282	196
283	423
284	488
285	295
286	146
287	531
288	424
289	486
290	7
291	173
292	455
293	232
294	33
295	462
296	215
297	75
298	451
299	188
300	159

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
301	539
302	352
303	280
304	98
305	419
306	133
307	225
308	254
309	326
310	302
311	570
312	179
313	389
314	136
315	290
316	57
317	339
318	279
319	122
320	265
321	555
322	299
323	546
324	395
325	351
326	81
327	479
328	553
329	382
330	239



**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
331	30
332	137
333	308
334	467
335	346
336	537
337	603
338	330
339	520
340	313
341	618
342	47
343	433
344	144
345	76
346	370
347	534
348	64
349	103
350	221
351	350
352	311
353	458
354	557
355	251
356	524
357	329
358	519
359	10
360	597

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
361	77
362	9
363	499
364	68
365	195
366	612
367	614
368	447
369	338
370	204
371	16
372	301
373	235
374	393
375	134
376	52
377	609
378	1
379	238
380	526
381	463
382	276
383	126
384	65
385	218
386	211
387	622
388	427
389	150
390	58

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
391	484
392	256
393	220
394	203
395	600
396	616
397	495
398	575
399	227
400	194
401	216
402	523
403	517
404	166
405	449
406	45
407	478
408	28
409	219
410	376
411	8
412	565
413	563
414	292
415	309
416	260
417	161
418	82
419	4
420	247

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
421	248
422	574
423	263
424	366
425	69
426	168
427	71
428	89
429	124
430	593
431	448
432	549
433	182
434	582
435	94
436	214
437	55
438	404
439	543
440	17
441	199
442	84
443	554
444	373
445	320
446	414
447	611
448	542
449	435
450	234

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
451	274
452	483
453	368
454	369
455	61
456	551
457	310
458	334
459	533
460	550
461	390
462	354
463	566
464	460
465	573
466	269
467	318
468	602
469	596
470	442
471	378
472	581
473	540
474	287
475	99
476	26
477	101
478	436
479	345
480	278

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
481	116
482	371
483	190
484	521
485	243
486	20
487	111
488	277
489	148
490	569
491	578
492	314
493	56
494	37
495	97
496	340
497	402
498	154
499	63
500	41
501	11
502	271
503	347
504	317
505	408
506	587
507	293
508	497
509	541
510	514

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
511	532
512	441
513	226
514	119
515	151
516	502
517	217
518	518
519	605
520	450
521	224
522	403
523	114
524	601
525	108
526	430
527	210
528	401
529	444
530	453
531	406
532	67
533	470
534	48
535	429
536	38
537	522
538	305
539	362
540	155

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
541	264
542	167
543	39
544	297
545	324
546	294
547	312
548	572
549	100
550	461
551	140
552	35
553	331
554	384
555	490
556	498
557	213
558	428
559	610
560	298
561	245
562	615
563	583
564	230
565	62
566	500
567	477
568	92
569	588
570	385



**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
571	50
572	411
573	434
574	397
575	130
576	110
577	466
578	361
579	205
580	386
581	480
582	273
583	212
584	153
585	2
586	417
587	300
588	459
589	165
590	416
591	604
592	79
593	388
594	104
595	545
596	266
597	464
598	425
599	515
600	129

**City of Santa Ana**  
**Lottery Numbers Selected in Order of Pick Number**

<b>Pick Number</b>	<b>Lottery Number</b>
601	508
602	18
603	443
604	391
605	383
606	379
607	87
608	365
609	296
610	437
611	152
612	255
613	432
614	343
615	439
616	336
617	617
618	530
619	446
620	471
621	504
622	253
623	595
624	24
625	325
626	40
627	262