



**OHIO LOTTERY COMMISSION
CUYAHOGA COUNTY**

**MEGA MILLIONS AGREED-UPON PROCEDURES REPORT
FOR THE PERIOD APRIL 1, 2010 THROUGH MARCH 31, 2011**



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 (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 Mega Millions, solely to assist the OLC and Member Lotteries with respect to the evaluation of the following financial information associated with Mega Millions: The OLC sales and prize expense for the period April 1, 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 the procedures is solely the responsibility of the 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" reports for the period April 1, 2010 to 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 five (5) drawings from the period April 1, 2010 to March 31, 2011 for testing and performed procedures "c", "d", and "e" below:

May 21, 2010
June 8, 2010
July 23, 2010
August 10, 2010
December 28, 2010

- c) For each drawing 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.

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- 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 Mega Millions' 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 Mega Millions Prize Settlement Reports and found them to be in agreement.
- f) For the period identified in step "a" above, we selected two months (May 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) 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 OLC's cash disbursement subsidiary records which summarize the funds disbursed to the prize winner.
- 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 Settlements 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 receivable 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 Mega Millions 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 April 1, 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 |
|-----------|-----------|---------------------|-----------------------|----------------------|---------------------|
| 4/02/2010 | 1,710,287 | 259,105 | 298,561 | | |
| 4/06/2010 | 1,616,193 | 182,813 | 254,538 | | |
| 4/09/2010 | 2,012,176 | 229,459 | 362,759 | | |
| 4/13/2010 | 2,188,693 | 508,306 | 390,895 | | |
| 4/16/2010 | 2,542,827 | 293,481 | 394,705 | | |
| 4/20/2010 | 2,302,123 | 504,342 | 451,799 | | |
| 4/23/2010 | 2,556,038 | 280,028 | 417,461 | | |
| 4/27/2010 | 2,724,963 | 289,215 | 414,272 | | |
| 4/30/2010 | 3,460,890 | 631,251 | 502,853 | | |
| 5/04/2010 | 3,768,954 | 903,147 | 765,369 | | |
| 5/07/2010 | 1,330,469 | 178,578 | 226,358 | | |
| 5/11/2010 | 1,201,985 | 132,387 | 202,285 | | |
| 5/14/2010 | 1,345,214 | 390,899 | 287,303 | | |
| 5/18/2010 | 1,300,550 | 670,006 | 306,462 | | |
| 5/21/2010 | 1,441,243 | 422,370 | 258,411 | | |
| 5/25/2010 | 1,328,690 | 691,150 | 376,539 | | |
| 5/28/2010 | 1,178,270 | 146,060 | 224,548 | | |
| 6/01/2010 | 960,594 | 97,692 | 175,010 | | |
| 6/04/2010 | 1,166,325 | 174,590 | 221,654 | | |
| 6/08/2010 | 1,131,057 | 111,224 | 157,502 | | |
| 6/11/2010 | 1,240,192 | 174,727 | 226,865 | | |
| 6/15/2010 | 1,024,103 | 174,155 | 194,622 | | |
| 6/18/2010 | 1,110,790 | 124,446 | 155,933 | | |
| 6/22/2010 | 1,055,593 | 891,074 | 308,173 | | |
| 6/25/2010 | 1,060,965 | 158,838 | 233,048 | | |
| 6/29/2010 | 1,003,823 | 132,027 | 191,695 | | |
| 7/02/2010 | 1,173,872 | 144,860 | 183,686 | | |
| 7/06/2010 | 1,027,296 | 109,854 | 183,975 | | |
| 7/09/2010 | 1,209,403 | 146,226 | 148,646 | | |
| 7/13/2010 | 1,225,101 | 132,022 | 236,552 | | |
| 7/16/2010 | 1,369,479 | 151,486 | 252,566 | | |
| 7/20/2010 | 1,008,712 | 106,185 | 167,096 | | |
| 7/23/2010 | 1,070,793 | 138,617 | 174,785 | | |
| 7/27/2010 | 1,032,320 | 913,643 | 511,458 | | |
| 7/30/2010 | 1,175,189 | 142,743 | 193,029 | | |
| 8/03/2010 | 1,189,311 | 148,861 | 150,559 | | |
| 8/06/2010 | 1,321,891 | 397,832 | 335,052 | | |
| 8/10/2010 | 1,270,160 | 395,152 | 242,921 | | |
| 8/13/2010 | 1,463,526 | 166,745 | 193,474 | | |
| 8/17/2010 | 1,411,584 | 156,865 | 274,241 | | |
| 8/20/2010 | 1,827,036 | 193,555 | 315,418 | | |
| 8/24/2010 | 1,841,742 | 232,682 | 282,418 | | |
| 8/27/2010 | 2,144,738 | 504,903 | 308,607 | | |
| 8/31/2010 | 1,054,240 | 124,907 | 160,211 | | |
| 9/03/2010 | 1,158,492 | 386,704 | 229,087 | | |
| 9/07/2010 | 987,754 | 378,606 | 218,028 | | |
| 9/10/2010 | 1,211,927 | 414,667 | 385,326 | | |
| 9/14/2010 | 1,147,819 | 118,247 | 219,384 | | |
| 9/17/2010 | 1,303,024 | 182,227 | 520,445 | | |
| 9/21/2010 | 985,649 | 106,829 | 154,996 | | |
| 9/24/2010 | 1,092,917 | 122,799 | 146,549 | | |
| 9/28/2010 | 1,012,603 | 106,227 | 141,197 | | |

| Draw Date | Sales | Actual Fixed Prizes | Share of Fixed Prizes | Annuitized JP Amount | Cash Options Amount |
|------------|-------------|---------------------|-----------------------|----------------------|---------------------|
| 10/01/2010 | 1,186,255 | 146,095 | 229,148 | | |
| 10/05/2010 | 1,113,999 | 130,507 | 190,740 | | |
| 10/08/2010 | 1,287,499 | 377,456 | 186,235 | | |
| 10/12/2010 | 1,230,037 | 161,814 | 191,038 | | |
| 10/15/2010 | 1,438,652 | 165,460 | 245,493 | | |
| 10/19/2010 | 1,394,263 | 411,759 | 269,968 | | |
| 10/22/2010 | 1,843,784 | 449,084 | 301,997 | | |
| 10/26/2010 | 1,800,926 | 203,417 | 291,812 | | |
| 10/29/2010 | 2,163,159 | 506,470 | 359,761 | | |
| 11/02/2010 | 1,026,665 | 131,871 | 224,736 | | |
| 11/05/2010 | 1,108,573 | 126,606 | 188,501 | | |
| 11/09/2010 | 1,045,024 | 118,284 | 159,999 | | |
| 11/12/2010 | 1,059,455 | 359,935 | 285,869 | | |
| 11/16/2010 | 969,976 | 349,771 | 154,776 | | |
| 11/19/2010 | 1,113,695 | 128,341 | 208,493 | | |
| 11/23/2010 | 1,051,075 | 632,436 | 218,196 | | |
| 11/26/2010 | 1,010,079 | 359,260 | 211,631 | | |
| 11/30/2010 | 1,117,607 | 120,568 | 168,370 | | |
| 12/03/2010 | 1,313,217 | 420,624 | 241,170 | | |
| 12/07/2010 | 1,246,866 | 141,251 | 177,633 | | |
| 12/10/2010 | 1,463,592 | 417,397 | 272,531 | | |
| 12/14/2010 | 1,523,453 | 194,465 | 261,899 | | |
| 12/17/2010 | 1,904,952 | 200,777 | 315,273 | | |
| 12/21/2010 | 2,022,956 | 263,182 | 323,185 | | |
| 12/24/2010 | 2,484,313 | 558,706 | 481,697 | | |
| 12/28/2010 | 2,635,889 | 1,062,748 | 475,120 | | |
| 12/31/2010 | 5,445,459 | 880,463 | 929,050 | | |
| 1/04/2011 | 10,037,750 | 2,198,588 | 1,973,426 | | |
| 1/07/2011 | 1,083,752 | 104,782 | 155,244 | | |
| 1/11/2011 | 1,008,758 | 123,301 | 193,814 | | |
| 1/14/2011 | 1,141,611 | 145,895 | 224,773 | | |
| 1/18/2011 | 1,092,742 | 377,323 | 239,532 | | |
| 1/21/2011 | 1,151,164 | 125,963 | 216,295 | | |
| 1/25/2011 | 1,245,097 | 134,540 | 210,010 | | |
| 1/28/2011 | 1,399,505 | 160,711 | 195,957 | | |
| 2/01/2011 | 1,385,459 | 164,055 | 276,004 | | |
| 2/04/2011 | 1,086,899 | 114,302 | 161,989 | | |
| 2/08/2011 | 985,713 | 115,448 | 223,275 | | |
| 2/11/2011 | 1,114,406 | 152,634 | 275,084 | | |
| 2/15/2011 | 1,071,442 | 141,203 | 150,046 | | |
| 2/18/2011 | 1,214,894 | 147,349 | 225,821 | | |
| 2/22/2011 | 1,077,612 | 104,006 | 214,267 | | |
| 2/25/2011 | 1,214,537 | 154,947 | 252,832 | | |
| 3/01/2011 | 1,350,079 | 192,435 | 256,568 | | |
| 3/04/2011 | 1,693,425 | 466,366 | 340,105 | | |
| 3/08/2011 | 1,745,929 | 214,513 | 314,917 | | |
| 3/11/2011 | 1,898,291 | 236,460 | 313,225 | | |
| 3/15/2011 | 2,134,169 | 486,949 | 381,068 | | |
| 3/18/2011 | 3,143,373 | 363,690 | 519,628 | | |
| 3/22/2011 | 3,947,999 | 432,503 | 753,089 | | |
| 3/25/2011 | 7,233,921 | 1,793,692 | 1,170,638 | | |
| 3/29/2011 | 1,021,431 | 112,231 | 159,144 | | |
| * Totals * | 170,960,963 | 32,657,447 | 31,290,398 | | 16,767,270.00 |

| | Receivable (Payable) | Actual Fixed Prizes | Share of Fixed Prizes | Qtrly/Yrly Settlements Transfers In (Out) | Receivable (Payable) |
|------------------|-------------------------|------------------------|--------------------------|---|-------------------------|
| California | 541,683 | 29,943,133 | 28,491,637 | 1,695,330 | 297,849 |
| Georgia | 312,773 | 30,801,291 | 31,605,329 | 151,152 | 642,417- |
| Illinois | 465,195- | 18,664,610 | 19,683,458 | 1,041,921- | 442,122- |
| Massachusetts | 633,950 | 18,236,906 | 19,303,149 | 325,974- | 106,319- |
| Maryland | 511,378- | 30,559,462 | 31,399,443 | 1,266,395- | 84,964- |
| Michigan | 168,111- | 44,560,941 | 44,612,816 | 779,586- | 559,600 |
| New Jersey | 580,277- | 88,347,903 | 85,093,594 | 2,242,327 | 431,705 |
| New York | 1,228,191- | 32,657,447 | 31,290,398 | 48,401 | 90,457 |
| Ohio | | | | | |
| POWER BALL | | | | | |
| Texas | 349,537 | 34,438,389 | 33,617,120 | 540,588 | 630,218 |
| Virginia | 216,448 | 22,896,267 | 25,731,902 | 1,621,282- | 997,905- |
| Washington State | 898,761 | 10,212,883 | 10,490,386 | 357,360 | 263,898 |
| ** Totals ** | | 361,319,232 | 361,319,232 | | |

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Dave Yost • Auditor of State

OHIO LOTTERY COMMISSION MEGA MILLIONS

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**