



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 (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 Mega Millions, solely to assist the Commission and Member Lotteries with respect to the evaluation of the following financial information associated with Mega Millions: The Commission sales and prize expense for the period April 1, 2014 through March 31, 2015. 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*. 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. Our procedures were as follows:

- a) We obtained from the Commission the "Draw Activity" and "Fixed Prize Analysis" for the period April 1, 2014 through March 31, 2015 (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, 2014 to March 31, 2015 for testing and performed procedures "c", "d", and "e" below:

April 29, 2014
September 30, 2014
January 23, 2015
February 24, 2015
March 31, 2015

- 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 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 randomly selected two months (May 2014 and August 2014) 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) We noted that no amounts listed in the "Cash Option" column of the "Draw Activity" report attached as Exhibit I.
- i) We noted no purchase of investments associated with the jackpot prizes.
- 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, 2015 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 Mega Millions Prize Settlement Report as of March 31, 2015 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 Commission sales and prize expense for the period April 1, 2014 through March 31, 2015. 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 Commission and Member Lotteries, and is not intended to be and should not be used by anyone else.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

Dave Yost
Auditor of State
Columbus, Ohio

September 30, 2015

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
CA	4/01/2014	708,941	76,974	164,947		
	4/04/2014	773,162	90,738	181,563		
	4/08/2014	677,094	77,061	162,439		
	4/11/2014	722,953	83,922	85,169		
	4/15/2014	669,080	72,544	79,077		
	4/18/2014	720,661	82,474	86,522		
	4/22/2014	667,765	78,475	75,656		
	4/25/2014	757,036	100,505	104,167		
	4/29/2014	715,553	72,965	162,324		
	5/02/2014	927,826	113,514	213,574		
	5/06/2014	889,047	109,483	201,208		
	5/09/2014	925,739	100,213	182,590		
	5/13/2014	909,929	108,917	97,341		
	5/16/2014	1,031,142	133,311	286,472		
PB	5/20/2014	1,077,430	123,933	213,623		
	5/23/2014	761,462	100,803	93,320		
	5/27/2014	623,509	77,839	178,022		
	5/30/2014	752,325	80,496	81,574		
	6/03/2014	732,437	82,237	82,932		
	6/06/2014	786,096	94,683	186,960		
	6/10/2014	749,874	103,324	104,684		
MI	6/13/2014	861,425	92,230	187,277		
	6/17/2014	671,343	83,501	81,038		
	6/20/2014	733,174	89,044	92,502		
	6/24/2014	672,035	79,130	82,472		
PB	6/27/2014	761,198	84,219	87,287		
	7/01/2014	601,631	76,283	79,884		
	7/04/2014	601,519	61,666	63,045		
	7/08/2014	609,771	74,113	74,967		
	7/11/2014	674,478	85,813	83,645		
	7/15/2014	645,621	92,743	86,725		
	7/18/2014	704,314	84,002	79,340		
	7/22/2014	688,006	1,103,127	193,338		
	7/25/2014	768,874	90,049	87,769		
	7/29/2014	741,507	78,086	81,493		
	8/01/2014	840,331	99,201	96,433		
	8/05/2014	911,498	105,066	202,415		
	8/08/2014	999,400	116,519	212,927		
	8/12/2014	1,013,956	114,561	113,707		
	8/15/2014	1,173,832	136,139	236,317		
	8/19/2014	1,202,248	134,221	231,091		
CA	8/22/2014	1,394,213	161,445	167,438		
	8/26/2014	651,116	66,898	66,829		
	8/29/2014	704,530	86,251	81,195		
	9/02/2014	594,824	64,415	161,172		
	9/05/2014	711,988	109,709	307,082		
	9/09/2014	653,663	70,024	67,807		
	9/12/2014	743,675	110,510	105,322		
	9/16/2014	703,386	72,905	75,870		
	9/19/2014	781,641	96,866	97,786		
	9/23/2014	749,751	90,721	186,847		
	9/26/2014	874,936	118,070	115,743		

EXHIBIT I

	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	9/30/2014	922,956	112,641	198,066		
	10/03/2014	1,059,237	120,664	123,429		
	10/07/2014	1,038,518	123,370	211,008		
	10/10/2014	1,173,952	1,132,867	227,338		
	10/14/2014	1,179,888	141,067	413,949		
	10/17/2014	1,309,014	148,284	149,152		
	10/21/2014	1,486,313	172,821	264,373		
	10/24/2014	1,717,337	208,195	399,769		
	10/28/2014	1,835,374	217,114	211,982		
	10/31/2014	2,176,830	264,430	522,734		
NY	11/04/2014	2,720,889	326,818	488,123		
	11/07/2014	763,109	85,126	88,655		
	11/11/2014	672,607	87,646	87,068		
	11/14/2014	705,034	77,609	79,195		
	11/18/2014	627,414	64,423	67,012		
	11/21/2014	726,789	84,536	89,347		
	11/25/2014	698,465	89,338	87,733		
	11/28/2014	660,723	86,914	83,923		
	12/02/2014	747,196	89,063	88,472		
	12/05/2014	832,048	97,192	201,527		
	12/09/2014	827,971	104,579	95,220		
	12/12/2014	977,173	119,321	119,338		
	12/16/2014	969,877	104,574	103,168		
	12/19/2014	1,075,095	115,466	120,652		
	12/23/2014	1,164,631	153,026	240,826		
	12/26/2014	1,055,658	135,715	335,825		
	12/30/2014	1,210,166	135,443	231,432		
	1/02/2015	1,223,238	137,025	315,224		
	1/06/2015	1,395,417	158,601	165,148		
	1/09/2015	1,481,503	173,579	175,925		
	1/13/2015	1,655,992	204,132	382,581		
IL	1/16/2015	1,988,480	223,618	320,057		
	1/20/2015	701,704	76,641	77,079		
	1/23/2015	725,425	81,750	82,711		
	1/27/2015	656,135	93,085	91,017		
	1/30/2015	741,268	1,086,051	272,969		
	2/03/2015	688,822	84,021	86,073		
	2/06/2015	811,281	93,075	102,425		
	2/10/2015	898,148	109,078	106,378		
	2/13/2015	968,002	101,402	109,050		
	2/17/2015	774,029	75,673	84,632		
	2/20/2015	958,380	111,296	117,860		
	2/24/2015	947,586	114,440	203,066		
NY	2/27/2015	1,145,613	135,504	129,945		
	3/03/2015	673,278	78,392	86,830		
	3/06/2015	707,791	78,543	79,898		
	3/10/2015	667,955	88,886	81,786		
	3/13/2015	746,044	94,511	93,330		
	3/17/2015	715,929	91,327	87,986		
	3/20/2015	783,970	91,656	96,058		
NY	3/24/2015	733,655	88,534	192,020		
	3/27/2015	676,207	79,784	180,563		

EXHIBIT I

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
3/31/2015	635,467	72,455	169,580		
* Totals *	95,454,528	14,313,239	16,130,434		

EXHIBIT I

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California					
Georgia	802,759-	16,694,090	16,371,131	1,096,930	1,576,730-
Illinois	98,133	17,648,238	17,844,022	107,514-	9,863
Massachusetts	449,757	12,296,180	11,845,451	745,388	155,098
Maryland	337,964	3,032,921	2,946,816	424,069	
Michigan	920,607-	18,519,529	19,085,750	180,404-	1,306,424-
New Jersey	1,561,048-	24,433,116	24,844,735	3,294,111-	1,321,444
New York	211,937	49,890,734	46,757,654	746,388	2,598,629
Ohio	1,204,333	14,313,239	16,130,434	42,128	654,990-
POWER BALL					
Texas					
Virginia	328,070	13,252,336	14,355,318	313,319	1,088,231-
Washington State	654,220	6,754,228	6,653,300	213,807	541,341
** Totals **		176,834,611	176,834,611		

EXHIBIT II



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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
OCTOBER 15, 2015**