



OHIO AUDITOR OF STATE  
**KEITH FABER**





**OHIO LOTTERY COMMISSION  
CUYAHOGA COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12<sup>th</sup> Floor  
615 Superior Avenue, NW  
Cleveland, Ohio 44113-1801  
(216) 787-3665 or (800) 626-2297  
NortheastRegion@ohioauditor.gov

## 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 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, 2018 through March 31, 2019. 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, 2018 through March 31, 2019 (attached as Exhibit I and Exhibit II, respectively). We proved their mathematical accuracy with no exceptions noted.
- b) We selected a sample (agreed upon) of the following five (5) drawings from the period April 1, 2018 to March 31, 2019 for testing and performed procedures "c", "d", and "e" below:

June 15, 2018  
October 2, 2018  
November 27, 2018  
February 22, 2019  
March 15, 2019

- 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 selected a sample (agreed upon) of two months (May 2018 and June 2018) 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, 2019 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, 2019 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. 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.

Ohio Lottery Commission  
Cuyahoga County  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
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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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

August 23, 2019

Exhibit I – Draw Activity  
Exhibit II – Fixed Prize Analysis

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# VIRGINIA LOTTERY

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MEGA MILLIONS  
Ohio Draw Activity

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From 4/3/2018 To 3/29/2019

	Draw Date	Sales	Just The Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/3/2018	840,546	0	75,080	71,728	0	0.00
	4/6/2018	829,586	0	51,698	54,708	0	0.00
	4/10/2018	759,394	0	50,260	141,927	0	0.00
	4/13/2018	837,346	0	78,884	73,706	0	0.00
	4/17/2018	754,788	0	51,032	53,369	0	0.00
	4/20/2018	829,672	0	71,560	72,524	0	0.00
	4/24/2018	778,510	0	80,432	74,919	0	0.00
	4/27/2018	880,126	0	75,012	76,024	0	0.00
	5/1/2018	857,686	0	84,052	75,087	0	0.00
OH	5/4/2018	937,246	0	1,105,914	451,502	0	84,023,671.00
	5/8/2018	687,258	0	68,364	406,542	0	0.00
	5/11/2018	732,556	0	49,042	137,545	0	0.00
	5/15/2018	678,272	0	53,438	49,785	0	0.00
	5/18/2018	741,458	0	63,610	66,180	0	0.00
	5/22/2018	700,950	0	74,796	69,716	0	0.00
	5/25/2018	774,116	0	51,962	53,910	0	0.00
	5/29/2018	664,776	0	50,342	55,576	0	0.00
	6/1/2018	835,896	0	58,226	149,865	0	0.00
	6/5/2018	823,454	0	74,884	67,579	0	0.00
	6/8/2018	892,698	0	77,468	77,419	0	0.00
	6/12/2018	873,826	0	103,788	128,132	0	0.00
	6/15/2018	944,366	0	74,286	249,197	0	0.00
	6/19/2018	915,928	0	72,772	74,313	0	0.00

# VIRGINIA LOTTERY

MEGA MILLIONS  
Ohio Draw Activity

From 4/3/2018 To 3/29/2019

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	Draw Date	Sales	Just The Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	6/22/2018	1,031,644	0	95,340	175,728	0	0.00
	6/26/2018	1,085,500	0	93,186	164,654	0	0.00
	6/29/2018	1,246,686	0	98,960	89,714	0	0.00
	7/3/2018	1,368,818	0	116,440	101,508	0	0.00
	7/6/2018	1,400,748	0	118,862	103,501	0	0.00
	7/10/2018	1,660,748	0	143,768	319,547	0	0.00
	7/13/2018	2,054,136	0	153,510	162,994	0	0.00
	7/17/2018	2,123,308	0	161,808	260,339	0	0.00
	7/20/2018	3,169,508	0	266,088	341,436	0	0.00
CA	7/24/2018	5,821,974	0	506,770	992,330	0	0.00
	7/27/2018	802,354	0	54,180	54,990	0	0.00
	7/31/2018	719,060	0	80,120	64,043	0	0.00
	8/3/2018	783,448	0	61,288	64,500	0	0.00
	8/7/2018	732,852	0	63,174	64,601	0	0.00
	8/10/2018	775,060	0	83,970	175,909	0	0.00
	8/14/2018	768,602	0	68,478	70,867	0	0.00
	8/17/2018	835,490	0	69,118	74,982	0	0.00
	8/21/2018	851,578	0	81,862	77,126	0	0.00
	8/24/2018	928,936	0	86,688	263,087	0	0.00
	8/28/2018	908,048	0	63,040	66,463	0	0.00
	8/31/2018	1,016,046	0	85,776	164,973	0	0.00
	9/4/2018	907,822	0	93,056	92,294	0	0.00
	9/7/2018	1,058,424	0	88,454	92,412	0	0.00

# VIRGINIA LOTTERY

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MEGA MILLIONS  
Ohio Draw Activity

4/26/2019 2:31:15 PM

From 4/3/2018 To 3/29/2019

	Draw Date	Sales	Just The Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	9/11/2018	1,074,326	0	80,988	77,912	0	0.00
	9/14/2018	1,169,908	0	102,666	103,586	0	0.00
	9/18/2018	1,219,332	0	95,252	178,560	0	0.00
	9/21/2018	1,343,012	0	117,774	208,373	0	0.00
	9/25/2018	1,488,268	0	122,694	212,911	0	0.00
	9/28/2018	1,647,094	0	128,696	131,984	0	0.00
	10/2/2018	1,749,568	0	148,646	147,978	0	0.00
	10/5/2018	2,228,714	0	172,824	185,494	0	0.00
	10/9/2018	2,579,142	0	192,328	198,985	0	0.00
	10/12/2018	4,517,836	0	421,372	395,377	0	0.00
	10/16/2018	7,875,988	0	652,290	923,785	0	0.00
	10/19/2018	19,338,044	0	1,761,922	2,472,100	0	0.00
PB	10/23/2018	25,137,190	0	3,152,500	3,309,672	0	0.00
	10/26/2018	1,179,752	0	105,576	191,874	0	0.00
	10/30/2018	967,124	0	69,748	249,202	0	0.00
	11/2/2018	921,774	0	73,998	67,191	0	0.00
	11/6/2018	875,886	0	80,352	77,168	0	0.00
	11/9/2018	885,374	0	84,764	79,471	0	0.00
	11/13/2018	864,994	0	1,072,704	157,345	0	0.00
	11/16/2018	906,042	0	61,044	63,572	0	0.00
	11/20/2018	922,712	0	85,528	79,177	0	0.00
	11/23/2018	856,996	0	60,474	65,770	0	0.00
	11/27/2018	893,368	0	76,016	67,217	0	0.00

# VIRGINIA LOTTERY

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MEGA MILLIONS  
Ohio Draw Activity

4/26/2019 2:31:15 PM

From 4/3/2018 To 3/29/2019

	Draw Date	Sales	Just The Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	11/30/2018	993,890	0	78,586	72,592	0	0.00
	12/4/2018	1,015,760	0	105,460	171,872	0	0.00
	12/7/2018	1,050,996	0	115,698	187,912	0	0.00
	12/11/2018	1,051,088	0	94,886	170,769	0	0.00
	12/14/2018	1,160,958	0	87,314	184,776	0	0.00
	12/18/2018	1,131,148	0	92,818	95,889	0	0.00
	12/21/2018	1,338,034	0	111,498	114,627	0	0.00
	12/25/2018	1,795,290	0	152,774	151,216	0	0.00
	12/28/2018	2,235,102	0	173,160	448,582	0	0.00
NY	1/1/2019	3,187,764	0	1,244,370	576,956	0	0.00
	1/4/2019	854,250	0	72,186	71,328	0	0.00
	1/8/2019	771,818	0	67,388	68,523	0	0.00
	1/11/2019	810,972	0	52,286	143,834	0	0.00
	1/15/2019	731,476	0	63,000	62,990	0	0.00
	1/18/2019	853,272	0	54,664	62,254	0	0.00
	1/22/2019	683,490	0	42,824	45,959	0	0.00
	1/25/2019	803,932	0	66,344	152,497	0	0.00
	1/29/2019	819,954	0	62,158	143,071	0	0.00
	2/1/2019	812,576	0	79,708	70,879	0	0.00
	2/5/2019	873,870	0	76,978	81,548	0	0.00
	2/8/2019	903,358	0	75,390	82,782	0	0.00
	2/12/2019	872,842	0	99,532	164,100	0	0.00
	2/15/2019	971,380	0	78,236	83,114	0	0.00

EXHIBIT I

# VIRGINIA LOTTERY

MEGA MILLIONS  
Ohio Draw Activity

From 4/3/2018 To 3/29/2019

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	Draw Date	Sales	Just The Jackpot	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	2/19/2019	980,254	0	89,646	86,617	0	0.00
	2/22/2019	1,093,266	0	86,036	346,968	0	0.00
	2/26/2019	1,097,798	0	103,746	170,169	0	0.00
NJ	3/1/2019	1,298,670	0	103,424	95,582	0	0.00
	3/5/2019	759,256	0	59,036	62,642	0	0.00
	3/8/2019	801,796	0	73,350	77,678	0	0.00
PB	3/12/2019	754,878	0	51,604	58,555	0	0.00
	3/15/2019	799,432	0	69,028	65,587	0	0.00
	3/19/2019	810,238	0	63,070	63,544	0	0.00
	3/22/2019	933,668	0	82,676	245,177	0	0.00
	3/26/2019	921,680	0	74,984	160,962	0	0.00
	3/29/2019	926,676	0	76,278	80,812	0	0.00
<b>* Totals *</b>		<b>168,164,520</b>	<b>0</b>	<b>18,331,130</b>	<b>21,336,318</b>		

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# VIRGINIA LOTTERY

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## MEGA MILLIONS Fixed Prize Analysis

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From 04/03/2018 To 03/29/2019

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
Georgia	(599,613)	20,514,266	22,956,164	(2,406,047)	(635,464)
Illinois	346,446	21,096,232	24,050,080	(1,985,326)	(622,076)
Massachusetts	(581,755)	19,774,326	17,688,756	1,969,511	(465,696)
Maryland	(397,136)	14,352,746	15,529,133	(2,108,008)	534,485
Michigan	(740,292)	25,089,722	24,138,420	(1,082,147)	1,293,157
New Jersey	38,138	31,450,310	32,189,096	(748,550)	47,902
New York	1,333,481	66,812,412	59,011,155	8,988,019	146,719
Ohio	1,399,920	18,331,130	21,336,318	(1,018,975)	(586,293)
Texas				0	
Virginia	(525,823)	17,668,100	18,730,319	(1,115,804)	(472,238)
Washington State	(273,366)	10,899,286	10,359,089	(492,673)	759,504
<b>Totals</b>		<b>245,988,530</b>	<b>245,988,530</b>		

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OHIO AUDITOR OF STATE  
**KEITH FABER**



**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  
SEPTEMBER 17, 2019**