



**OHIO LOTTERY COMMISSION
CUYAHOGA COUNTY**

REPORT ON APPLYING AGREED UPON PROCEDURES

FOR THE YEAR ENDED MARCH 31, 2008



Mary Taylor, CPA
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 (the 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 the 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, 2007 through March 31, 2008. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 OLC the "Draw Activity" and the "Fixed Prize Analysis" report for the period April 1, 2007 to March 31, 2008 (attached as Exhibits I and 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, 2007 to March 31, 2008 for testing and performed procedures "c", "d", and "e" below:

August 17, 2007
September 14, 2007
November 13, 2007
January 4, 2008
February 8, 2008

- 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 gaming system and the total amount of sales shown on the related daily sales report produced by the Internal Control System ("ICS") with the balance listed in the "Sales" column for the respective drawing on the "Draw Activity" report attached as Exhibit I, and found them to be in agreement.
- d) We calculated the total dollar amount of the low tier prizes for the drawings selected in step "b" above based on the total number of winners obtained from the OLC gaming system for each prize level and the prize structure of Mega Million's low tier prizes (as defined in the Official Game Rules obtained from the OLC). We compared the calculated expense with the amount listed in the "Actual Fixed Prizes" column for the respective drawing on the "Draw Activity" report attached as Exhibit I, and found them to be in agreement.

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- e) For each drawing selected in step "b" above, we compared the amount of sales, actual low tier (fixed) prizes and share of low tier (fixed) prizes shown on the "Draw Activity" report attached as Exhibit I to the amounts shown on the applicable Mega Million Prize Settlement Reports obtained from the OLC and, found them to be in agreement.
- f) We selected two months (June 2007 and February 2008) 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 agreed the ICS data to the data reported by the Virginia Lottery for each draw of the selected 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) Based upon review of the "Draw Activity" report, there were no Mega Million jackpot prizes won in the State of Ohio.
- i) There were no investments purchased for the Mega Millions jackpot prizes as there were no prizes won in the State of Ohio during the period which this Report covers.
- j) We compared the total of the annual transfers by the OLC to the Virginia Lottery for settlement of the fixed prize liability as shown in the cash receipts/disbursement subsidiary records obtained from the OLC to the amount listed in the "Transfers" column on the "Fixed Prize Analysis" report attached as Exhibit II and found them to be in agreement.
- k) We compared the balance listed in the OLC receivable or payable as of March 31, 2008 for the low tier (fixed) prizes as shown on the "Fixed Prize Analysis" report attached as Exhibit II to Mega Million Prize Settlement Report as of March 31, 2008, 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, 2007 through March 31, 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 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.



Mary Taylor, CPA
Auditor of State

December 30, 2008

Exhibit I – Draw Activity
Exhibit II – Fixed Prize Analysis

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
4/03/2007	2,017,073	484,566	337,787		
4/06/2007	2,433,441	494,296	391,482		
4/10/2007	1,298,922	161,691	333,572		
4/13/2007	1,459,873	225,831	293,345		
4/17/2007	1,389,119	165,462	180,308		
4/20/2007	1,549,328	180,738	278,441		
4/24/2007	1,516,263	150,660	265,732		
4/27/2007	1,721,818	442,097	256,094		
5/01/2007	1,721,088	202,046	268,372		
5/04/2007	1,977,667	208,035	327,664		
5/08/2007	2,067,766	453,426	313,847		
5/11/2007	2,516,377	532,036	443,355		
5/15/2007	1,229,725	120,570	146,544		
5/18/2007	1,343,046	664,958	306,107		
5/22/2007	1,298,153	461,127	358,618		
5/25/2007	1,484,745	166,203	244,249		
5/29/2007	1,315,798	143,900	230,342		
6/01/2007	1,287,032	151,241	229,715		
6/05/2007	1,209,803	114,926	207,261		
6/08/2007	1,340,424	143,579	206,682		
6/12/2007	1,312,069	146,574	299,340		
6/15/2007	1,455,732	446,479	266,133		
6/19/2007	1,452,059	147,110	329,962		
6/22/2007	1,622,771	187,521	330,845		
6/26/2007	1,635,705	217,828	305,078		
6/29/2007	2,001,596	458,135	407,286		
7/03/2007	2,292,853	239,107	349,630		
7/06/2007	2,534,957	360,315	502,337		
7/10/2007	1,247,374	125,497	188,951		
7/13/2007	1,321,369	172,121	216,967		
7/17/2007	1,270,847	159,134	237,302		
7/20/2007	1,420,993	441,268	192,531		
7/24/2007	1,388,122	167,043	225,662		
7/27/2007	1,563,808	149,733	215,673		
7/31/2007	1,545,568	681,850	242,036		
8/03/2007	1,748,033	183,801	281,232		
8/07/2007	1,721,660	451,680	258,384		
8/10/2007	2,154,539	220,881	426,952		
8/14/2007	2,341,206	303,398	513,033		
8/17/2007	2,818,085	317,577	488,604		
8/21/2007	3,202,892	364,088	544,407		
8/24/2007	4,714,299	780,565	764,278		
8/28/2007	5,739,929	904,695	837,304		
8/31/2007	9,367,997	1,578,741	1,705,919		
9/04/2007	1,182,073	129,875	179,541		
9/07/2007	1,428,364	158,975	222,416		
9/11/2007	1,382,864	206,499	282,660		
9/14/2007	1,597,715	941,092	492,243		
9/18/2007	1,548,168	175,464	226,495		
9/21/2007	1,817,007	240,875	276,286		
9/25/2007	1,232,710	387,886	250,419		
9/28/2007	1,319,558	422,340	331,632		

MD/NJ/TX/VA

CA
 NJ

MEGA MILLIONS
 Ohio Draw Activity
 From 04/03/2007 To 03/31/2008

MS4001
 MS400F1
 FIN76/VLTPRD

Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
10/02/2007	1,248,130	135,542	135,579		
10/05/2007	1,433,248	165,591	189,917		
10/09/2007	1,160,621	120,417	151,193		
10/12/2007	1,292,983	395,926	166,357		
10/16/2007	1,246,832	183,526	212,818		
10/19/2007	1,429,920	421,258	345,962		
10/23/2007	1,369,222	144,700	266,328		
10/26/2007	1,611,415	182,291	260,153		
10/30/2007	1,541,544	176,754	171,163		
11/02/2007	1,866,535	700,388	371,349		
11/06/2007	1,150,224	112,673	195,711		
11/09/2007	1,273,836	394,511	177,515		
11/13/2007	1,215,282	141,281	208,597		
11/16/2007	1,400,724	149,350	229,024		
11/20/2007	1,374,550	178,950	233,053		
11/23/2007	1,354,452	135,906	249,131		
11/27/2007	1,494,534	460,774	247,614		
11/30/2007	1,773,207	209,013	336,865		
12/04/2007	1,800,357	427,201	297,236		
12/07/2007	2,117,504	481,622	364,695		
12/11/2007	2,513,337	591,732	440,039		
12/14/2007	3,095,655	474,872	930,079		
12/18/2007	3,166,098	612,676	535,581		
12/21/2007	1,346,693	166,323	233,754		
12/25/2007	940,147	350,479	194,823		
12/28/2007	1,352,017	150,509	230,810		
1/01/2008	1,131,470	136,411	180,812		
1/04/2008	1,206,992	125,527	141,384		
1/08/2008	1,169,248	132,722	196,916		
1/11/2008	1,339,382	406,098	300,741		
1/15/2008	1,287,929	133,860	239,632		
1/18/2008	1,526,057	173,832	306,053		
1/22/2008	1,449,378	462,868	305,224		
1/25/2008	1,702,492	190,606	327,633		
1/29/2008	1,774,470	207,824	280,360		
2/01/2008	2,011,569	261,236	440,736		
2/05/2008	2,326,362	510,800	391,660		
2/08/2008	2,732,217	318,489	453,550		
2/12/2008	2,739,470	586,044	589,311		
2/15/2008	3,693,644	445,935	632,750		
2/19/2008	4,829,388	759,394	772,965		
2/22/2008	6,385,770	1,901,002	1,602,817		
2/26/2008	1,192,730	170,203	189,802		
2/29/2008	1,369,005	170,840	340,014		
3/04/2008	1,353,370	139,044	319,674		
3/07/2008	1,498,800	417,957	356,212		
3/11/2008	1,414,877	184,604	245,820		
3/14/2008	1,709,140	499,510	363,137		
3/18/2008	1,684,989	197,111	296,059		
3/21/2008	1,917,535	509,278	400,246		
3/25/2008	1,909,313	198,170	266,839		
3/28/2008	2,513,092	288,563	452,166		
* Totals *	196,998,139	34,727,728	35,778,914		

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In (Out)	Receivable (Payable)
California	644,919-	40,240,428	38,093,118	1,223,810	278,581
Georgia	49,755-	39,181,049	38,527,978	1,181,381	578,065-
Illinois	55,450-	23,247,020	22,063,291	1,235,071	106,792-
Massachusetts	54,984-	20,700,076	22,078,050	1,258,133-	174,825-
Maryland	280,268-	36,224,937	35,619,347	257,256	68,066
Michigan	441,435-	51,484,322	51,822,074	1,255,565-	476,378
New Jersey	933,566	81,454,680	88,118,312	4,766,592-	963,474-
New York	592,853-	34,727,728	35,778,914	1,497,008-	147,031-
Ohio	495,018	35,524,885	33,072,419	2,479,385	468,099
Texas	589,452	29,842,118	28,344,520	1,214,792	872,258
Virginia	101,628	12,341,165	11,450,385	1,185,603	193,195-
Washington State					
** Totals **		404,968,408	404,968,408		



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OHIO LOTTERY COMMISSION

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
FEBRUARY 3, 2009**