



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, 2013 through March 31, 2014. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements 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, 2013 through March 31, 2014 (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, 2013 to March 31, 2014 for testing and performed procedures "c", "d", and "e" below:
 - May 14, 2013
 - July 2, 2013
 - January 3, 2014
 - February 11, 2014
 - March 28, 2014
- 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 November 2013 and March 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) 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 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, 2014 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, 2014 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, 2013 through March 31, 2014. 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 initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

September 23, 2014

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
	4/02/2013	760,727	85,001	102,563		
	4/05/2013	879,862	115,530	196,938		
	4/09/2013	818,754	101,743	160,294		
	4/12/2013	922,317	173,402	261,298		
	4/16/2013	863,217	617,082	162,146		
	4/19/2013	955,178	133,503	219,136		
	4/23/2013	947,437	97,355	172,207		
	4/26/2013	1,184,963	125,485	182,788		
	4/30/2013	1,157,539	129,466	176,954		
	5/03/2013	1,329,492	379,288	232,922		
	5/07/2013	1,332,220	405,625	199,028		
	5/10/2013	1,563,434	419,303	300,450		
	5/14/2013	1,645,756	234,978	322,370		
NJ/VA	5/17/2013	2,614,697	281,171	498,697		
	5/21/2013	810,923	85,133	134,630		
	5/24/2013	770,182	109,047	123,095		
	5/28/2013	644,839	67,502	79,205		
NJ	5/31/2013	792,393	99,652	191,204		
	6/04/2013	683,025	104,282	98,642		
	6/07/2013	754,146	76,306	168,066		
	6/11/2013	696,661	79,096	113,976		
	6/14/2013	769,538	91,887	190,113		
	6/18/2013	714,989	83,787	97,735		
	6/21/2013	789,360	97,989	173,898		
	6/25/2013	746,337	84,727	148,660		
	6/28/2013	847,680	82,295	108,627		
	7/02/2013	817,592	95,592	141,860		
MI	7/05/2013	842,257	332,190	129,126		
	7/09/2013	652,944	72,046	72,805		
	7/12/2013	694,535	97,958	105,288		
TX	7/16/2013	653,721	318,440	154,752		
	7/19/2013	687,350	70,911	118,267		
	7/23/2013	623,747	62,144	63,747		
NJ	7/26/2013	695,953	80,964	121,046		
	7/30/2013	624,217	68,609	66,469		
	8/02/2013	704,338	326,640	126,387		
	8/06/2013	716,159	67,183	86,707		
	8/09/2013	731,004	76,829	108,173		
	8/13/2013	665,829	314,485	108,892		
	8/16/2013	759,291	100,848	168,868		
	8/20/2013	686,398	90,497	133,606		
	8/23/2013	805,132	833,086	177,460		
	8/27/2013	750,666	94,937	123,693		
	8/30/2013	844,382	115,766	139,371		
	9/03/2013	748,232	93,740	130,459		
	9/06/2013	906,461	116,839	168,573		
	9/10/2013	974,975	138,763	146,706		
	9/13/2013	1,158,260	116,081	154,874		
	9/17/2013	1,172,321	423,190	280,911		
	9/20/2013	1,306,053	162,108	225,117		
	9/24/2013	1,213,060	155,774	209,660		
	9/27/2013	1,404,564	397,980	304,833		

	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
MD	10/01/2013	1,415,894	150,953	216,037		
	10/04/2013	778,965	87,388	139,618		
	10/08/2013	676,646	75,320	112,167		
	10/11/2013	747,787	76,914	158,545		
	10/15/2013	677,295	68,621	127,875		
	10/18/2013	750,512	71,097	99,022		
	10/22/2013	653,552	84,401	152,464		
	10/25/2013	780,474	90,259	95,622		
	10/29/2013	734,609	89,758	90,328		
	11/01/2013	840,075	83,808	245,394		
	11/05/2013	839,385	88,088	93,587		
	11/08/2013	996,427	123,988	193,109		
	11/12/2013	980,334	133,434	195,089		
	11/15/2013	1,108,686	134,750	205,104		
	11/19/2013	1,093,248	126,428	270,393		
	11/22/2013	1,292,871	178,316	237,565		
	11/26/2013	1,438,480	159,582	446,898		
	11/29/2013	1,442,372	173,580	169,675		
	12/03/2013	1,838,459	245,261	221,457		
	12/06/2013	2,256,022	1,255,152	539,057		
	12/10/2013	2,732,036	2,318,068	590,922		
	12/13/2013	6,521,121	801,719	1,145,884		
CA/GA	12/17/2013	12,465,386	2,640,812	2,445,505		
	12/20/2013	843,226	98,911	260,365		
	12/24/2013	793,759	82,796	158,330		
	12/27/2013	721,505	85,788	163,520		
	12/31/2013	850,188	97,935	172,883		
PB	1/03/2014	729,178	90,353	88,975		
	1/07/2014	587,975	77,393	137,061		
	1/10/2014	709,696	91,015	85,677		
	1/14/2014	683,289	77,252	157,931		
	1/17/2014	719,713	115,145	245,820		
	1/21/2014	662,080	1,081,684	156,121		
	1/24/2014	746,117	82,516	86,603		
	1/28/2014	664,612	81,751	75,500		
	1/31/2014	808,249	105,369	107,836		
	2/04/2014	826,193	94,647	95,528		
	2/07/2014	845,219	104,190	101,414		
	2/11/2014	913,812	102,061	101,751		
	2/14/2014	1,044,503	133,321	203,952		
	2/18/2014	1,168,433	134,573	131,456		
	2/21/2014	1,325,307	165,120	244,549		
	2/25/2014	1,271,789	168,007	237,423		
	2/28/2014	1,587,105	178,215	256,547		
	3/04/2014	1,678,405	214,590	212,070		
	3/07/2014	1,916,208	219,650	377,509		
	3/11/2014	2,285,441	263,365	349,113		
	3/14/2014	2,651,637	2,322,569	552,727		
MD/PB	3/18/2014	4,061,039	531,813	858,006		
	3/21/2014	765,170	88,371	96,445		
NY	3/25/2014	704,242	97,298	81,681		
	3/28/2014	740,628	86,315	92,087		
* Totals *		124,200,461	25,513,945	22,663,489		

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California					
Georgia	1,056,767	24,976,684	23,379,254	3,456,956	802,759-
Illinois	178,371-	25,394,550	26,102,914	984,868-	98,133
Massachusetts	609,792-	15,963,974	14,676,889	227,536	449,757
Maryland	306,820	19,988,782	17,728,887	2,228,751	337,964
Michigan	275,299-	24,257,563	25,336,896	434,025-	920,607-
New Jersey	785,471-	34,676,724	37,719,129	2,266,828-	1,561,048-
New York	566,951	70,719,759	72,565,781	1,491,008-	211,937
Ohio	244,303	25,513,945	22,663,489	1,890,426	1,204,333
POWER BALL					
Texas	14,343	30,264,473	30,217,141	61,675	
Virginia	229,632-	18,060,119	20,021,894	2,519,477-	328,070
Washington State	110,619-	10,149,704	9,554,003	169,138-	654,220
** Totals **		299,966,277	299,966,277		

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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 7, 2014**