



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 (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 Megaplier, solely to assist the Commission and Member Lotteries with respect to the evaluation of the following financial information associated with Megaplier: The Commission sales and prize expense for the period April 1, 2017 through March 31, 2018. 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, 2017 through March 31, 2018 (attached as Exhibit I and Exhibit II, respectively). We proved their mathematical accuracy with no exceptions noted.
- b) We haphazardly selected the following five (5) drawings from the period April 1, 2017 to March 31, 2018 for testing and performed procedures "c", "d", and "e" below:

May 30, 2017
July 11, 2017
September 1, 2017
November 28, 2017
March 20, 2018

- 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 Megaplier 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 Megaplier Prize Settlement Reports and found them to be in agreement.
- f) For the period identified in step "a" above, we haphazardly selected two months (April 2017 and June 2017) 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 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 compared the total of the period transfers from the Commission to/from the Virginia Lottery for settlement of the fixed prize liability as shown in the Commission's cash disbursement/cash receipts 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.
- i) We compared the balance listed as the Commission's receivable as of March 31, 2018 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 Megaplier Prize Settlement Report as of March 31, 2018 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 sales and prize expenses for the period April 1, 2017 through March 31, 2018. 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.

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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

September 5, 2018

Exhibit I – Draw Activity
Exhibit II – Fixed Prize Analysis

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Draw Date	Sales	Actual FixedPrizes	Share of FixedPrizes	AmountAnnuitized JP	AmountCash Options
4/04/2017	95,585	64,208	46,249		
4/07/2017	97,870	65,472	57,292		
4/11/2017	90,288	39,964	39,766		
4/14/2017	97,866	43,172	647,145		
4/18/2017	89,710	18,404	20,080		
4/21/2017	99,141	21,116	13,724		
4/25/2017	93,064	46,725	34,491		
4/28/2017	102,062	38,979	45,359		
5/02/2017	88,952	29,175	29,391		
5/05/2017	96,366	38,049	40,392		
5/09/2017	89,482	39,224	38,828		
5/12/2017	97,947	30,990	31,532		
5/16/2017	89,144	38,740	37,759		
5/19/2017	96,623	40,980	38,476		
5/23/2017	91,188	10,015	11,319		
5/26/2017	100,201	23,792	317,090		
5/30/2017	87,768	43,832	40,751		
6/02/2017	108,286	24,476	23,929		
6/06/2017	102,585	23,196	26,669		
6/09/2017	113,267	62,856	61,661		
6/13/2017	113,616	26,954	26,788		
6/16/2017	120,051	61,520	62,229		
6/20/2017	116,307	25,410	28,093		
6/23/2017	123,804	13,638	13,529		
6/27/2017	121,359	40,848	38,311		
6/30/2017	133,553	64,240	61,733		
7/04/2017	120,309	41,937	42,926		
7/07/2017	135,802	66,108	74,985		
7/11/2017	141,775	18,036	17,315		
7/14/2017	142,820	44,277	49,748		
7/18/2017	148,933	49,242	50,815		
7/21/2017	159,081	57,282	55,612		
7/25/2017	155,893	34,892	34,633		
7/28/2017	173,352	42,866	41,865		
8/01/2017	193,416	91,748	103,394		
8/04/2017	227,050	102,484	113,845		
8/08/2017	273,304	28,358	29,282		
8/11/2017	373,902	164,844	818,603		
* Totals *	4,901,722	1,718,049	3,265,609		

VIRGINIA LOTTERY

MEGAPLIER
Ohio Draw Activity

From 8/15/2017 To 3/30/2018

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/15/2017	116,687	13,751	14,745	0	0.00
	8/18/2017	123,116	25,168	27,822	0	0.00
	8/22/2017	120,902	40,872	44,910	0	0.00
	8/25/2017	120,962	54,500	55,821	0	0.00
	8/29/2017	98,968	31,250	26,547	0	0.00
	9/1/2017	112,703	48,200	51,404	0	0.00
	9/5/2017	97,186	17,488	301,050	0	0.00
	9/8/2017	110,984	23,902	25,164	0	0.00
	9/12/2017	100,906	34,188	32,919	0	0.00
	9/15/2017	109,118	35,532	35,407	0	0.00
	9/19/2017	104,667	15,961	14,078	0	0.00
	9/22/2017	116,477	52,328	624,796	0	0.00
	9/26/2017	88,413	25,413	29,582	0	0.00
	9/29/2017	98,018	48,824	48,034	0	0.00
	10/3/2017	92,722	50,948	57,676	0	0.00
	10/6/2017	99,987	42,104	44,286	0	0.00
	10/10/2017	91,772	42,196	41,107	0	0.00
	10/13/2017	102,907	24,438	22,589	0	0.00
	10/17/2017	86,462	37,576	39,182	0	0.00

EXHIBIT I

VIRGINIA LOTTERY

MEGAPLIER
Ohio Draw Activity

From 8/15/2017 To 3/30/2018

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	10/20/2017	92,977	9,463	10,305	0	0.00
	10/24/2017	86,253	42,798	29,686	0	0.00
	10/27/2017	91,796	42,856	631,668	0	0.00
	10/31/2017	62,121	61,248	40,581	0	0.00
	11/3/2017	72,573	13,144	12,241	0	0.00
	11/7/2017	66,810	36,414	43,242	0	0.00
	11/10/2017	71,832	8,454	9,967	0	0.00
	11/14/2017	67,708	20,448	22,197	0	0.00
	11/17/2017	75,008	42,378	465,734	0	0.00
	11/21/2017	73,018	31,448	35,586	0	0.00
	11/24/2017	71,746	17,060	17,018	0	0.00
	11/28/2017	73,056	13,048	12,487	0	0.00
	12/1/2017	83,239	46,458	463,961	0	0.00
	12/5/2017	78,906	32,022	32,880	0	0.00
	12/8/2017	82,901	9,216	9,803	0	0.00
	12/12/2017	80,640	19,146	19,879	0	0.00
	12/15/2017	92,278	34,866	37,166	0	0.00
	12/19/2017	93,940	28,912	27,068	0	0.00
	12/22/2017	113,814	42,906	46,679	0	0.00

EXHIBIT I

VIRGINIA LOTTERY

MEGAPLIER
Ohio Draw Activity

From 8/15/2017 To 3/30/2018

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/26/2017	97,282	37,932	436,296	0	0.00
	12/29/2017	212,569	42,764	47,344	0	0.00
	1/2/2018	218,292	84,534	97,964	0	0.00
	1/5/2018	374,480	120,896	130,393	0	0.00
	1/9/2018	80,297	20,680	20,437	0	0.00
	1/12/2018	78,741	27,156	29,759	0	0.00
	1/16/2018	65,464	16,572	19,348	0	0.00
	1/19/2018	76,489	22,988	23,683	0	0.00
	1/23/2018	71,631	55,284	54,897	0	0.00
	1/26/2018	78,704	35,586	41,469	0	0.00
	1/30/2018	70,561	18,764	20,815	0	0.00
	2/2/2018	85,588	35,000	49,108	0	0.00
	2/6/2018	78,162	20,612	21,722	0	0.00
	2/9/2018	83,023	25,460	24,565	0	0.00
	2/13/2018	80,313	40,230	43,038	0	0.00
	2/16/2018	88,587	21,972	22,905	0	0.00
	2/20/2018	83,598	29,096	31,544	0	0.00
	2/23/2018	97,148	60,984	497,983	0	0.00
	2/27/2018	96,302	48,568	29,896	0	0.00

EXHIBIT I

VIRGINIA LOTTERY

MEGAPLIER
Ohio Draw Activity

From 8/15/2017 To 3/30/2018

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	3/2/2018	113,803	58,692	64,300	0	0.00
	3/6/2018	114,061	144,408	85,102	0	0.00
	3/9/2018	124,694	48,234	55,577	0	0.00
	3/13/2018	134,172	73,408	74,874	0	0.00
	3/16/2018	156,088	73,800	353,595	0	0.00
	3/20/2018	151,990	51,176	48,266	0	0.00
	3/23/2018	170,222	54,944	54,674	0	0.00
	3/27/2018	179,125	60,052	61,414	0	0.00
	3/30/2018	357,581	112,268	113,454	0	0.00
* Totals *		7,142,540	2,658,984	6,059,689		

EXHIBIT I

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California					
Georgia	51,016-	871,341	1,657,002	513,054-	323,623-
Illinois	164,156-	5,151,985	2,372,626	3,109,510	494,307-
Massachusetts	39,796-	633,170	1,182,173	345,709-	243,090-
Maryland	72,536-	813,076	1,518,334	518,181-	259,613-
Michigan	141,277-	1,086,847	1,981,805	702,217-	334,018-
New Jersey	113,865-	1,434,006	2,470,927	743,468-	407,318-
New York	141,800-	4,020,182	3,562,196	874,956	558,770-
Ohio	112,020-	1,718,049	3,265,609	968,631-	690,949-
POWER BALL					
Texas					
Virginia	127,143-	1,458,487	2,721,057	897,407-	492,306-
Washington State	963,609	4,550,222	1,005,636	704,201	3,803,994
** Totals **		21,737,365	21,737,365		

VIRGINIA LOTTERY

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MEGAPLIER Fixed Prize Analysis

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From 08/15/2017 To 03/30/2018

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
Georgia	(323,623)	1,408,391	3,358,597	(1,105,973)	(1,167,856)
Illinois	(494,307)	5,239,121	4,939,066	(1,596,603)	1,402,351
Massachusetts	(243,090)	4,019,028	2,407,098	(770,261)	2,139,101
Maryland	(259,613)	1,367,863	2,864,776	(905,234)	(851,292)
Michigan	(334,018)	5,678,491	3,864,119	2,773,490	(1,293,136)
New Jersey	(407,318)	5,126,917	4,870,476	(1,579,769)	1,428,892
New York	(558,770)	8,924,411	6,929,782	1,751,660	(315,801)
Ohio	(690,949)	2,658,984	6,059,689	(2,139,971)	(1,951,683)
Texas				0	
Virginia	(492,306)	4,255,431	5,293,564	241,226	(1,771,665)
Washington State	3,803,994	3,853,229	1,944,699	3,331,435	2,381,089
Totals		42,531,866	42,531,866		

EXHIBIT II

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OHIO LOTTERY COMMISSION – MEGAPLIER

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 20, 2018**