



OHIO AUDITOR OF STATE
KEITH FABER



**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, 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 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 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 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 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.
- i) We compared the balance listed as the Commission's receivable 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 Megaplier 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.

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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

MEGAPLIER
Ohio Draw Activity

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

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	4/3/2018	87,789	13,538	14,453	0	0.00
	4/6/2018	87,707	30,168	32,517	0	0.00
	4/10/2018	78,959	10,384	11,794	0	0.00
	4/13/2018	87,971	42,990	46,209	0	0.00
	4/17/2018	78,628	30,822	29,139	0	0.00
	4/20/2018	86,710	15,376	15,109	0	0.00
	4/24/2018	79,816	29,196	31,578	0	0.00
	4/27/2018	89,434	16,970	15,436	0	0.00
	5/1/2018	86,205	46,620	50,927	0	0.00
	5/4/2018	94,150	66,738	922,525	0	0.00
	5/8/2018	72,586	12,526	14,139	0	0.00
	5/11/2018	77,841	19,420	20,111	0	0.00
	5/15/2018	70,866	7,836	10,657	0	0.00
	5/18/2018	78,458	13,558	14,618	0	0.00
	5/22/2018	71,355	28,760	28,786	0	0.00
	5/25/2018	79,124	31,944	32,779	0	0.00
	5/29/2018	66,895	18,632	21,475	0	0.00
	6/1/2018	84,674	22,392	22,569	0	0.00
	6/5/2018	81,097	12,870	12,379	0	0.00

VIRGINIA LOTTERY

MEGAPLIER
Ohio Draw Activity

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

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	6/8/2018	87,206	14,920	15,734	0	0.00
	6/12/2018	82,795	21,912	26,794	0	0.00
	6/15/2018	90,193	14,980	153,993	0	0.00
	6/19/2018	85,122	25,772	28,155	0	0.00
	6/22/2018	96,611	15,060	17,363	0	0.00
	6/26/2018	97,162	12,362	14,471	0	0.00
	6/29/2018	113,845	47,172	45,759	0	0.00
	7/3/2018	121,586	26,092	17,163	0	0.00
	7/6/2018	126,729	30,856	37,187	0	0.00
	7/10/2018	140,915	56,028	47,440	0	0.00
	7/13/2018	173,454	26,962	26,959	0	0.00
	7/17/2018	173,412	104,216	107,739	0	0.00
	7/20/2018	256,297	39,398	40,034	0	0.00
	7/24/2018	446,684	152,856	512,549	0	0.00
	7/27/2018	85,643	21,920	20,858	0	0.00
	7/31/2018	75,952	23,070	13,687	0	0.00
	8/3/2018	84,717	13,104	13,062	0	0.00
	8/7/2018	77,450	50,456	58,360	0	0.00
	8/10/2018	82,557	60,608	86,052	0	0.00

VIRGINIA LOTTERY

MEGAPLIER
Ohio Draw Activity

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

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	8/14/2018	78,761	14,170	14,027	0	0.00
	8/17/2018	84,676	13,588	17,045	0	0.00
	8/21/2018	83,180	48,580	34,596	0	0.00
	8/24/2018	91,458	18,426	19,127	0	0.00
	8/28/2018	85,835	22,856	23,961	0	0.00
	8/31/2018	98,729	29,212	28,910	0	0.00
	9/4/2018	87,554	33,948	40,028	0	0.00
	9/7/2018	100,509	16,404	17,726	0	0.00
	9/11/2018	98,652	12,406	12,872	0	0.00
	9/14/2018	106,415	53,904	60,190	0	0.00
	9/18/2018	108,907	23,732	15,807	0	0.00
	9/21/2018	119,499	63,600	67,710	0	0.00
	9/25/2018	127,787	21,106	20,422	0	0.00
	9/28/2018	141,941	42,520	45,518	0	0.00
	10/2/2018	147,563	67,184	53,830	0	0.00
	10/5/2018	186,637	27,690	31,152	0	0.00
	10/9/2018	204,141	75,408	64,673	0	0.00
	10/12/2018	346,757	140,168	123,752	0	0.00
	10/16/2018	584,237	409,832	389,632	0	0.00

VIRGINIA LOTTERY

MEGAPLIER
Ohio Draw Activity

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

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	10/19/2018	1,405,006	277,578	252,799	0	0.00
	10/23/2018	1,779,794	590,800	612,689	0	0.00
	10/26/2018	131,230	69,168	69,588	0	0.00
	10/30/2018	103,758	14,728	155,739	0	0.00
	11/2/2018	103,725	14,306	15,279	0	0.00
	11/6/2018	95,182	14,928	17,726	0	0.00
	11/9/2018	95,561	55,110	54,449	0	0.00
	11/13/2018	90,601	2,031,460	306,761	0	0.00
	11/16/2018	95,818	26,520	24,462	0	0.00
	11/20/2018	93,906	29,184	31,068	0	0.00
	11/23/2018	90,584	34,854	47,264	0	0.00
	11/27/2018	89,517	39,492	45,730	0	0.00
	11/30/2018	102,195	28,928	27,499	0	0.00
	12/4/2018	102,739	33,520	311,564	0	0.00
	12/7/2018	106,519	38,180	46,505	0	0.00
	12/11/2018	103,945	15,294	16,441	0	0.00
	12/14/2018	114,700	50,412	56,376	0	0.00
	12/18/2018	109,642	36,712	35,589	0	0.00
	12/21/2018	127,841	44,880	41,751	0	0.00

VIRGINIA LOTTERY

MEGAPLIER
Ohio Draw Activity

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

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	12/25/2018	158,844	49,804	53,129	0	0.00
	12/28/2018	207,959	29,458	191,249	0	0.00
	1/1/2019	282,555	131,532	124,031	0	0.00
	1/4/2019	98,797	44,826	50,994	0	0.00
	1/8/2019	87,132	64,576	61,414	0	0.00
	1/11/2019	92,554	21,968	22,650	0	0.00
	1/15/2019	83,599	15,478	14,537	0	0.00
	1/18/2019	95,877	25,676	25,037	0	0.00
	1/22/2019	77,347	34,424	36,956	0	0.00
	1/25/2019	90,757	15,418	158,913	0	0.00
	1/29/2019	88,649	21,076	14,944	0	0.00
	2/1/2019	91,118	59,440	59,237	0	0.00
	2/5/2019	95,450	16,956	18,418	0	0.00
	2/8/2019	98,864	33,876	38,088	0	0.00
	2/12/2019	93,341	56,024	39,005	0	0.00
	2/15/2019	104,283	18,166	16,294	0	0.00
	2/19/2019	101,648	27,042	18,460	0	0.00
	2/22/2019	114,227	52,026	61,996	0	0.00
	2/26/2019	111,819	34,088	33,816	0	0.00

VIRGINIA LOTTERY

MEGAPLIER
Ohio Draw Activity

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

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	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
	3/1/2019	134,838	16,918	17,733	0	0.00
	3/5/2019	86,568	27,444	26,443	0	0.00
	3/8/2019	93,345	56,700	52,136	0	0.00
	3/12/2019	87,225	35,322	36,437	0	0.00
	3/15/2019	94,072	26,836	31,931	0	0.00
	3/19/2019	92,915	27,312	27,023	0	0.00
	3/22/2019	108,402	31,072	33,629	0	0.00
	3/26/2019	106,392	33,256	39,032	0	0.00
	3/29/2019	105,911	34,412	35,379	0	0.00
* Totals *		14,948,584	6,850,398	7,219,727		

VIRGINIA LOTTERY

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MEGAPLIER 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	(1,167,856)	4,482,484	3,856,536	(1,751,078)	1,209,170
Illinois	1,402,351	5,269,614	6,124,031	1,676,285	(1,128,351)
Massachusetts	2,139,101	3,953,422	2,918,179	1,717,813	1,456,531
Maryland	(851,292)	2,136,116	3,068,277	(1,252,742)	(530,711)
Michigan	(1,293,136)	3,791,152	4,290,725	(1,936,790)	144,081
New Jersey	1,428,892	6,598,610	5,318,157	3,619,034	(909,689)
New York	(315,801)	5,953,556	7,508,917	(1,533,270)	(337,892)
Ohio	(1,951,683)	6,850,398	7,219,727	(2,978,234)	657,222
Texas				0	
Virginia	(1,771,665)	4,006,624	6,001,274	(2,627,743)	(1,138,572)
Washington State	2,381,089	5,631,920	2,368,073	5,066,725	578,211
Totals		48,673,896	48,673,896		

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OHIO AUDITOR OF STATE KEITH FABER



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 17, 2019**