



**OHIO LOTTERY COMMISSION
CUYAHOGA COUNTY**

AGREED-UPON PROCEDURES

FOR THE PERIOD ENDED MARCH 31, 2003



**Auditor of State
Betty Montgomery**

**OHIO LOTTERY COMMISSION
CUYAHOGA COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio Lottery Commission
Cuyahoga County
615 West Superior Avenue
Cleveland, Ohio 441113

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 Georgia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Virginia, 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's sales and prize expense for the period April 1, 2002 through March 31, 2003. 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, 2002 to March 31, 2003 (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, 2002 to March 31, 2003 for testing and performed procedures "c", "d", and "e" below:

May 24, 2002
June 04, 2002
July 26, 2002
August 23, 2002
November 29, 2002

- c) For each drawing selected in step "b" above we obtained from the OLC and compared the total amount of sales as shown on the daily sales report produced by the OLC's 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's gaming system for each prize level and the prize structure of MM'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 amount of sales, actual low tier prizes and share of low tier prizes shown on the "Draw Activity" report attached as Exhibit I to the amounts shown on the applicable MM Prize Settlement Reports obtained from the OLC and, found them to be in agreement.
- f) We compared the amounts shown as the total of the actual low tier prizes and the total of the share of low tier 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.
- g) There were no amounts listed in the "cost of jackpot prizes" column on the "Draw Activity" report attached as Exhibit I due to there being no jackpot being awarded in Ohio during the period from April 1, 2002 to March 31, 2003.
- h) We reviewed workpapers created for each Mega Million drawing during the period from April 1, 2002 to March 31, 2003 and determined that no jackpot winners were awarded in Ohio. Therefore, there were no investments purchased for the Mega Million jackpot prize.
- i) 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.
- j) We compared the balance listed in the OLC's receivable or payable as of March 31, 2003 for the low tier prizes as shown on the "Fixed Prize Analysis" report attached as Exhibit II to MM Prize Settlement Report as of March 31, 2003, 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 OLC's sales and prize expense for the period April 1, 2002 through March 31, 2003. 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.



Betty Montgomery
Auditor of State

November 24, 2003

**MEGA MILLIONS MULTI-STATE LOTTERY
OHIO STATE LOTTERY**

(ALLSTFXPZMAR03)

EXHIBIT I

**DRAW ACTIVITY
FOR THE PERIOD FROM APRIL 01, 2002 TO MARCH 28, 2003**

	Draw Dates	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized Jackpot Amount (Purchased by NJ)	Cash Options
	4/2/2002	-	-	-	-	-
	4/5/2002	-	-	-	-	-
	4/9/2002	-	-	-	-	-
	4/12/2002	-	-	-	-	-
GA/IL/NJ	4/16/2002	-	-	-	-	-
	4/19/2002	-	-	-	-	-
	4/23/2002	-	-	-	-	-
IL	4/26/2002	-	-	-	-	-
	4/30/2002	-	-	-	-	-
	5/3/2002	-	-	-	-	-
	5/7/2002	-	-	-	-	-
	5/10/2002	-	-	-	-	-
	5/14/2002	-	-	-	-	-
IL	5/17/2002	2,153,492	434,299	501,909	-	-
	5/21/2002	1,169,383	311,259	209,518	-	-
IL	5/24/2002	1,163,723	299,847	200,900	-	-
	5/28/2002	852,784	95,570	125,021	-	-
	5/31/2002	1,008,290	105,645	135,372	-	-
	6/4/2002	941,448	279,020	152,184	-	-
	6/7/2002	1,035,860	304,981	150,744	-	-
	6/11/2002	1,005,056	117,682	165,937	-	-
	6/14/2002	1,177,561	130,958	171,274	-	-
	6/18/2002	1,202,409	144,194	273,200	-	-
	6/21/2002	1,418,877	332,400	311,821	-	-
	6/25/2002	1,495,263	352,317	321,020	-	-
	6/28/2002	1,863,543	372,935	290,143	-	-
	7/2/2002	2,060,686	766,219	374,141	-	-
	7/5/2002	2,486,534	276,205	435,993	-	-
	7/9/2002	3,563,096	588,150	668,150	-	-
	7/12/2002	4,792,301	914,979	844,974	-	-
NJ	7/16/2002	5,623,649	1,177,013	971,970	-	-
	7/19/2002	1,501,708	338,200	252,462	-	-
	7/23/2002	1,397,267	333,457	325,952	-	-
	7/26/2002	1,497,192	359,197	201,070	-	-
	7/30/2002	1,514,733	348,043	348,016	-	-
	8/2/2002	1,704,749	399,292	445,885	-	-
	8/6/2002	1,740,217	354,738	301,562	-	-
	8/9/2002	1,919,801	238,807	442,080	-	-
	8/13/2002	1,959,981	426,388	583,747	-	-
	8/16/2002	2,180,036	423,424	436,971	-	-
	8/20/2002	2,271,221	433,041	412,139	-	-
	8/23/2002	2,803,706	312,166	463,570	-	-
NY	8/27/2002	3,195,143	569,640	638,911	-	-
	8/30/2002	1,406,168	324,406	201,669	-	-
	9/3/2002	1,204,730	649,469	235,790	-	-
MI	9/6/2002	1,394,177	136,768	200,362	-	-
	9/10/2002	1,187,750	179,537	352,908	-	-
	9/13/2002	1,220,204	128,303	188,610	-	-
	9/17/2002	1,201,464	353,786	315,304	-	-
	9/20/2002	1,329,812	277,656	413,389	-	-
	9/24/2002	1,384,511	151,584	169,129	-	-
IL	9/27/2002	1,494,113	355,500	321,185	-	-
	10/1/2002	1,069,479	120,224	129,963	-	-
	10/4/2002	1,065,993	121,444	146,329	-	-
	10/8/2002	1,028,407	468,680	208,008	-	-
	10/11/2002	1,123,954	313,709	273,409	-	-
	10/15/2002	1,154,993	144,388	206,462	-	-
	10/18/2002	1,306,913	136,832	160,863	-	-
	10/22/2002	1,385,153	330,771	246,135	-	-
	10/25/2002	1,602,951	356,128	331,584	-	-
	10/29/2002	1,669,966	195,951	226,344	-	-

**MEGA MILLIONS MULTI-STATE LOTTERY
OHIO STATE LOTTERY**

(ALLSTFXPZMAR03)

EXHIBIT I

**DRAW ACTIVITY
FOR THE PERIOD FROM APRIL 01, 2002 TO MARCH 28, 2003**

	Draw Dates	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized Jackpot Amount (Purchased by NJ)	Cash Options
	11/1/2002	1,998,703	243,399	328,619	-	-
	11/5/2002	2,147,043	262,255	324,433	-	-
WA	11/8/2002	2,748,183	322,499	501,007	-	-
	11/12/2002	1,037,443	109,020	112,632	-	-
	11/15/2002	1,051,742	274,680	209,671	-	-
NY	11/19/2002	1,038,366	115,171	192,644	-	-
	11/22/2002	989,638	121,060	231,847	-	-
	11/26/2002	966,732	104,393	185,897	-	-
	11/29/2002	958,005	103,753	151,292	-	-
	12/3/2002	1,054,658	284,723	152,101	-	-
	12/6/2002	1,149,310	130,714	122,134	-	-
	12/10/2002	1,205,647	177,649	421,023	-	-
	12/13/2002	1,364,767	328,220	229,708	-	-
	12/17/2002	1,409,233	158,710	215,334	-	-
	12/20/2002	1,620,769	344,356	271,323	-	-
NY	12/24/2002	2,152,604	237,346	340,854	-	-
	12/27/2002	954,426	293,746	241,264	-	-
	12/31/2002	1,050,983	117,697	207,794	-	-
	1/3/2003	1,025,671	116,544	354,649	-	-
	1/7/2003	1,077,480	126,300	149,246	-	-
	1/10/2003	1,197,710	138,891	191,425	-	-
	1/14/2003	1,221,276	135,734	182,914	-	-
	1/17/2003	1,375,017	322,323	311,260	-	-
	1/21/2003	1,434,225	147,808	193,493	-	-
	1/24/2003	1,599,756	382,453	282,251	-	-
	1/28/2003	1,720,260	368,148	248,253	-	-
	1/31/2003	2,128,047	487,950	604,080	-	-
	2/4/2003	2,516,373	325,204	651,504	-	-
	2/7/2003	3,418,897	754,423	676,167	-	-
NY	2/11/2003	3,633,747	768,673	809,791	-	-
	2/14/2003	1,181,676	154,000	259,931	-	-
GA	2/18/2003	961,931	118,277	200,456	-	-
	2/21/2003	1,060,070	301,604	165,734	-	-
	2/25/2003	997,422	115,557	179,927	-	-
	2/28/2003	1,125,599	127,069	201,293	-	-
	3/4/2003	1,230,226	147,458	154,312	-	-
	3/7/2003	1,310,978	327,210	185,690	-	-
	3/11/2003	1,391,764	361,087	245,090	-	-
NJ	3/14/2003	1,573,551	192,292	230,927	-	-
	3/18/2003	955,093	108,662	123,577	-	-
	3/21/2003	970,282	112,086	163,606	-	-
	3/25/2003	982,950	109,190	287,382	-	-
MD	3/28/2003	1,134,831	328,477	205,245	-	-
		144,053,531	26,592,013	27,181,859	-	-

Approved: _____

Date: _____

**MEGA MILLIONS
MULTI-STATE LOTTERY
FIXED PRIZE ANALYSIS
FOR THE PERIOD FROM APRIL 01, 2002 TO MARCH 28, 2003**

(ALLSTFXPZMAR03)
EXHIBIT II

	April 1, 2002 Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In (Out)	March 28, 2003 Receivable (Payable)
Georgia	484,802.00	33,715,494.00	34,498,614.00	10,281.00	(308,599.00)
Illinois	(49,945.00)	45,064,833.00	44,812,418.00	507,551.00	(305,081.00)
Massachusetts	746,104.00	22,348,831.00	21,576,152.00	1,398,127.00	120,656.00
Maryland	(676,849.00)	17,621,667.00	15,877,363.00	1,278,941.00	(211,486.00)
Michigan	(939,825.00)	34,507,437.00	35,220,964.00	(1,346,287.00)	(307,065.00)
New Jersey	(150,543.00)	57,184,093.00	58,239,777.00	(2,053,276.00)	847,049.00
New York	-	72,542,142.00	70,892,975.00	1,753,564.00	(104,397.00)
Ohio	-	26,592,013.00	27,181,859.00	(541,885.00)	(47,961.00)
Virginia	586,256.00	23,093,270.00	23,685,018.00	(346,981.00)	341,489.00
Washington	-	4,880,932.00	5,565,572.00	(660,035.00)	(24,605.00)
Total	<u>-</u>	<u>337,550,712.00</u>	<u>337,550,712.00</u>	<u>-</u>	<u>-</u>

Approved: _____

Date: _____

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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 10, 2004**