



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 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, 2016 through March 31, 2017. 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.

The 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, 2016 through March 31, 2017 (attached as Exhibit I and Exhibit II, respectively). We mathematically checked their accuracy and found them to be in agreement.
- b) We haphazardly selected the following five (5) drawings from the period April 1, 2016 to March 31, 2017 for testing and performed procedures "c", "d", and "e" below:

June 3, 2016  
August 5, 2016  
October 21, 2016  
January 10, 2017  
February 17, 2017

- 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 haphazardly selected two months (May 2016 and June 2016) 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 inspected subsidiary bank and investment records to determine whether any purchases of investments associated with the jackpot prizes were made and found none.
- 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, 2017 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, 2017 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 for the period April 1, 2016 through March 31, 2017. 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

September 13, 2017

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 Amt	Cash Option Amt
4/01/2016	652,727	1,071,757		173,343	
4/05/2016	618,659	66,972		70,916	
4/08/2016	670,886	73,633		76,593	
4/12/2016	631,714	74,793		75,770	
4/15/2016	678,206	81,132		84,383	
4/19/2016	645,434	67,950		167,669	
4/22/2016	706,273	93,667		279,107	
4/26/2016	716,514	89,462		89,254	
4/29/2016	799,883	85,947		95,555	
5/03/2016	855,691	100,122		299,723	
5/06/2016	962,894	130,476		135,046	
5/10/2016	947,361	104,123		300,815	
5/13/2016	998,324	124,914		218,483	
5/17/2016	977,116	104,387		116,773	
5/20/2016	1,047,653	131,042		130,613	
5/24/2016	1,101,152	129,955		218,271	
5/27/2016	1,147,001	1,133,297		317,192	
5/31/2016	1,047,777	132,576		210,656	
6/03/2016	1,235,130	130,314		139,276	
6/07/2016	1,227,265	131,957		222,694	
6/10/2016	1,292,200	158,468		157,140	
6/14/2016	1,327,573	152,797		157,897	
6/17/2016	1,528,359	183,737		267,160	
6/21/2016	1,687,386	210,885		287,275	
6/24/2016	1,810,949	221,706		295,703	
6/28/2016	2,016,538	260,603		345,519	
7/01/2016	3,200,196	383,290		541,558	
7/05/2016	3,951,818	1,452,614		639,648	
PB 7/08/2016	5,851,925	702,859		886,247	
7/12/2016	711,907	77,070		183,621	
7/15/2016	703,361	80,596		81,344	
WA 7/19/2016	644,616	68,663		70,396	
GA/VA 7/22/2016	658,901	111,565		111,135	
7/26/2016	617,151	1,075,910		176,508	
7/29/2016	708,418	92,715		188,960	
8/02/2016	648,766	72,274		75,242	
8/05/2016	668,080	73,976		270,962	
8/09/2016	621,629	67,079		70,076	
8/12/2016	668,600	1,076,794		173,846	
8/16/2016	640,000	66,380		70,693	
8/19/2016	690,480	81,104		79,679	
8/23/2016	654,396	66,240		164,345	
8/26/2016	702,849	84,339		178,907	
8/30/2016	666,707	84,133		75,949	
9/02/2016	752,472	83,673		86,712	
9/06/2016	684,262	75,749		77,197	
9/09/2016	805,775	93,279		278,026	
9/13/2016	776,366	99,653		98,676	
IL 9/16/2016	835,812	104,140		195,936	
9/20/2016	566,850	64,541		64,476	
9/23/2016	606,940	90,700		84,932	
9/27/2016	568,563	61,622		64,435	
9/30/2016	622,297	76,553		77,530	

	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amt	Cash Option Amt
	10/04/2016	589,789	60,643	62,944		
	10/07/2016	629,546	68,544	165,731		
PB	10/11/2016	581,479	65,629	261,048		
	10/14/2016	570,310	68,661	66,139		
	10/18/2016	534,533	71,300	154,546		
	10/21/2016	574,012	65,155	67,553		
	10/25/2016	543,905	70,436	67,856		
	10/28/2016	586,368	59,202	61,981		
	11/01/2016	564,458	64,746	70,281		
	11/04/2016	620,640	78,490	78,051		
	11/08/2016	584,117	1,061,180	152,909		
	11/11/2016	618,356	1,072,585	156,712		
	11/15/2016	603,380	73,016	73,783		
GA	11/18/2016	667,485	78,281	248,084		
	11/22/2016	534,572	66,750	68,060		
	11/25/2016	526,222	56,826	145,427		
	11/29/2016	530,490	63,083	64,620		
	12/02/2016	591,422	68,698	153,936		
	12/06/2016	553,044	61,378	62,693		
	12/09/2016	590,578	64,071	63,762		
	12/13/2016	555,052	65,135	151,514		
	12/16/2016	602,031	79,176	75,523		
	12/20/2016	602,739	64,736	67,908		
	12/23/2016	715,944	83,572	82,696		
	12/27/2016	618,086	76,420	162,346		
	12/30/2016	741,150	87,097	171,094		
	1/03/2017	722,194	100,176	87,550		
	1/06/2017	763,281	98,775	91,289		
	1/10/2017	752,886	85,026	91,335		
	1/13/2017	873,579	106,877	98,156		
	1/17/2017	832,280	95,602	97,712		
	1/20/2017	921,764	113,216	283,343		
	1/24/2017	910,806	111,420	195,217		
CA	1/27/2017	983,867	122,318	117,502		
	1/31/2017	545,028	59,278	62,980		
	2/03/2017	595,637	87,001	77,272		
	2/07/2017	557,578	62,569	152,642		
	2/10/2017	603,851	65,398	66,055		
	2/14/2017	588,001	1,067,678	161,890		
	2/17/2017	640,804	74,860	75,143		
	2/21/2017	635,633	77,214	78,879		
	2/24/2017	734,283	83,835	86,883		
	2/28/2017	671,204	85,593	166,089		
	3/03/2017	730,159	82,515	85,649		
	3/07/2017	723,328	1,093,728	173,392		
	3/10/2017	819,238	1,095,577	181,834		
	3/14/2017	754,555	97,515	93,575		
	3/17/2017	821,100	95,667	98,687		
	3/21/2017	815,360	98,188	101,262		
	3/24/2017	908,369	94,265	187,198		
	3/28/2017	892,268	104,237	280,791		
PB	3/31/2017	992,798	122,882	211,967		
* Totals *		91,779,361	20,890,403	16,361,351		

EXHIBIT I

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California					
Georgia	484,377-	16,214,755	16,684,170	510,529-	443,263-
Illinois	1,663,241	15,201,193	18,099,707	753,357-	481,916-
Massachusetts	954,722-	12,176,862	11,983,869	1,475,084-	713,355
Maryland		3,725,067	4,134,252	100,274-	308,911-
Michigan	1,326,806	20,346,240	20,003,021	2,209,418	539,393-
New Jersey	2,084,210-	29,717,646	26,146,458	142,445	1,344,533
New York	953,201	42,364,396	48,024,290	4,476,814-	229,879-
Ohio	466,979	20,890,403	16,361,351	4,443,014	553,017
POWER BALL					
Texas					
Virginia	258,948-	13,944,061	14,711,428	639,959-	386,356-
Washington State	627,970-	8,873,987	7,306,064	1,161,140	221,187-
** Totals **		183,454,610	183,454,610		

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# Dave Yost • Auditor of State

**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  
SEPTEMBER 26, 2017**