

Audit of the Oregon Lottery

Annual Comprehensive Financial Report for Fiscal Year 2024

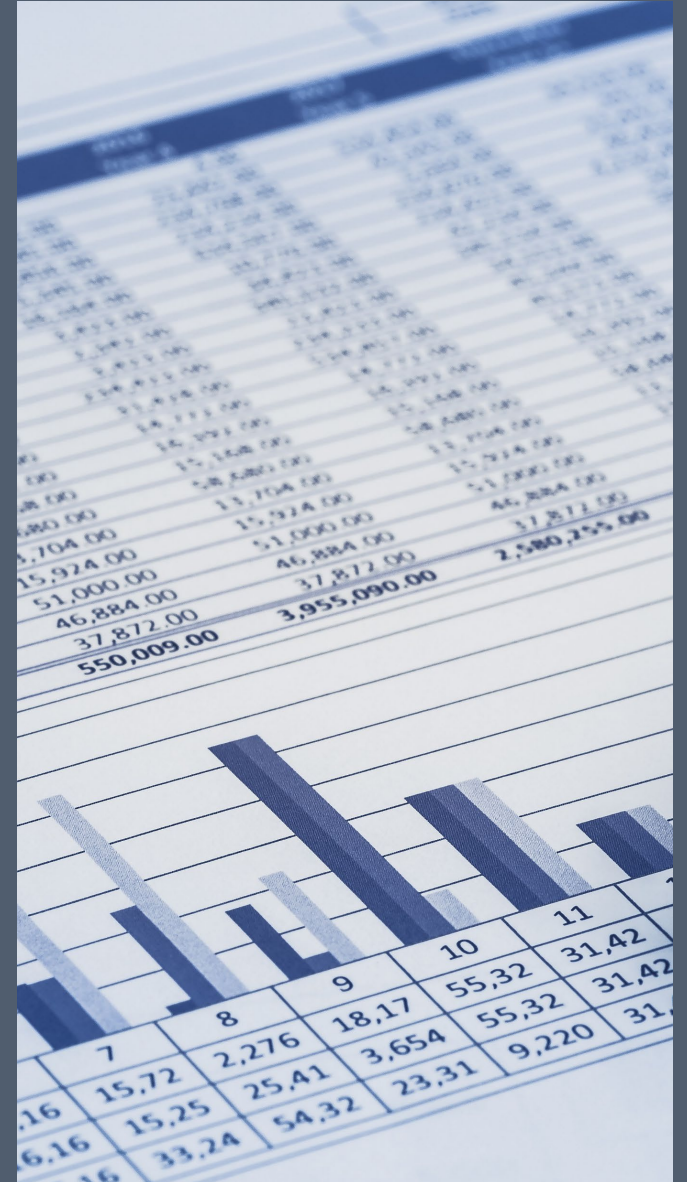
Michael Kaplan, Deputy Secretary of State

Steve Bergmann, Audits Director



Lottery in the Annual Comprehensive Financial Report

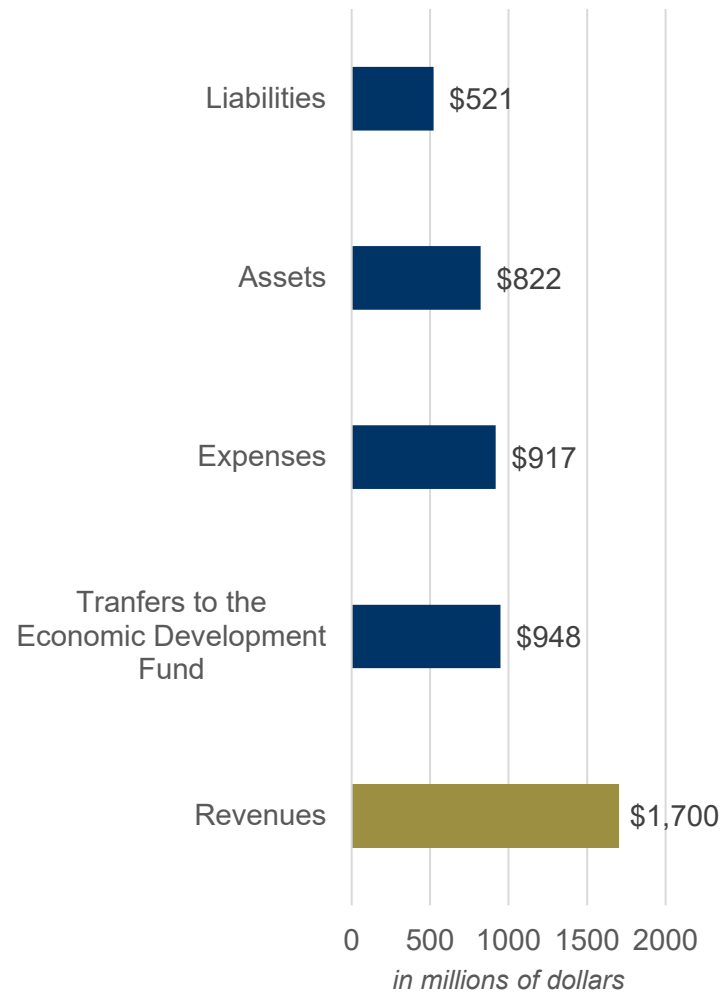
- We audit the Lottery's financial statements every year
 - Lottery is responsible for preparing its financial statements
- This audit provides our opinion about the **completeness**, **accuracy**, and **validity** of the Lottery's financial statements and accounting information
- Audit conducted between July and November 2024



Audit Methodology

We gain an understanding of Lottery's processes and controls, then identify significant financial accounts within the financial statements.

\$ Amt Reported in Financial Statements



Because of the nature of the Lottery business, **operating revenues** are the basis for our materiality benchmark

A materiality benchmark in a financial audit is a percentage or base level that helps auditors determine if a misstatement could significantly impact financial statements. Ours is 3% of operating revenues.

Video lottery continues to be the primary source of gaming revenue

Audit Methodology (cont.)

Our goal: To review and test **75% to 80%** of each category of transaction reported in the financial statements – following the same procedures used in all financial statement audits.

For fiscal year 2024, we audited:

- Cash, investments, equipment, and related depreciation
- Lottery Game revenues
- Prize expense and liability
- Retailer commissions
- Salaries and wages
- Transfers to Economic Development Fund

Audit Conclusion

Clean (unmodified) opinion

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Oregon State Lottery, as of June 30, 2024, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

No accounting errors found in our testing.

No internal control weaknesses identified.

Questions?

Ricardo Lujan Valerio

Deputy Chief of Staff – Government Relations

(503) 779 – 5451 | ricardo.lujanvalerio@sos.oregon.gov