

**TEXAS LOTTERY COMMISSION**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
FOR MEGA MILLIONS MEMBER LOTTERIES**

**MARCH 31, 2013**

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING  
AGREED-UPON PROCEDURES

To the Texas Lottery Commission and  
Mega Millions Member Lotteries

We have performed the procedures enumerated below, which were agreed to by the Texas Lottery Commission (the "Commission") and the Mega Millions Member Lotteries (collectively, the specified parties), solely to assist you with respect to procedures surrounding Megaplier's accounting and reporting by the Commission. The Commission's management is responsible for the Commission's accounting records. This agreed upon procedures engagement was conducted in accordance with the 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 the 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 and findings are as follows:

- a. Obtain from the Texas Lottery Commission the "Draw Activity" and the "Fixed Prize Analysis" for the period April 1, 2012 – March 31, 2013 and attach those as Exhibits I and II, respectively. Prove the mathematical accuracy of the schedules and note any exceptions.

*Finding* – We obtained the "Draw Activity" and the "Fixed Prize Analysis" for the period April 1, 2012 to March 31, 2013 and have attached those as Exhibits I and II, respectively. We footed the schedules without exception.

- b. Randomly select five (5) draw dates from the period April 1, 2012 – March 31, 2013.

*Finding* – We randomly selected the following dates: April 27, 2012, June 12, 2012, August 17, 2012, October 5, 2012, and January 25, 2013.

- c. For each draw date selected in step "b" above, compare the total amount of sales as shown on the daily sales report produced by the Texas Lottery 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 ensure they are in agreement.

*Finding* – We agreed 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 ICS with the balance listed in the "sales" column for the draw dates selected in step "b" on the "Draw Activity" report attached as Exhibit I without exception.

- d. Calculate the total dollar amount of the fixed prizes for the draw dates selected in step "b" above, based on the total number of winners from the Texas Lottery Commission's gaming system for each prize level and the prize structure of the Megaplier fixed prizes (as defined in the official game rules). Compare 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 ensure they are in agreement.

*Finding* – We calculated the total dollar amount of the fixed prizes for the draw dates selected in step "b" above without exception. We agreed the calculated expense to the amount listed in the "Actual Fixed Prizes" column for the respective draw date on the "Draw Activity Report" attached at Exhibit I without exception.

- e. For each draw date selected in step "b" above, compare 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 ensure they are in agreement.

*Finding* – We agreed the amount of sales, actual fixed prizes, and share of fixed prizes shown on the "Draw Activity" report attached as Exhibit I for each draw date selected in step "b" to the amounts shown on the applicable Megaplier Prize Settlement Reports without exception.

- f. For the period identified, randomly select two months and obtain the "Expired Prize Settlement Report" distributed by the Virginia Lottery. For the two months selected, obtain from the Texas Lottery Commission Internal Control System the actual fixed prizes awarded, and the prizes unclaimed. Compare the ICS data back to the data reported from the Virginia Lottery for each draw of the subject months to ensure they are in agreement.

*Finding* – We randomly selected the September 2011 and February 2012 Expired Prize Settlement ("EPS") reports prepared by the Virginia Lottery on October 10, 2012 and March 12, 2013 and agreed the Commission's ICS data to the data reported from the Virginia Lottery without exception.

- g. Compare 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 ensure they are in agreement.

*Finding* – We agreed 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 without exception.

- h. Compare the total of the period transfers from the Texas Lottery Commission to the Virginia Lottery for settlement of the fixed prize liability as shown in the Texas Lottery Commission's cash disbursement subsidiary records to the amount listed in the "Qtrly/Yrly Settlements Transfers In (Out)" column on the "Fixed Prize Analysis" report attached as Exhibit II and ensure they are in agreement.

*Finding* – We agreed 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 Settlements Transfers In (Out)" column on the "Fixed Prize Analysis" attached as Exhibit II without exception.

- i. Compare the balance listed as the Texas Lottery Commission's receivable as of March 31, 2013 for the fixed prizes as shown on the "Fixed Prize Analysis" report attached as Exhibit II to the Texas Lottery Commission's financial accounting records and to the Megaplier Prize Settlement Report as of March 31, 2013 and ensure they are in agreement.

*Finding* – We agreed the balances listed as the Commission's receivable as of March 31, 2013 for the fixed prizes as shown on the "Fixed Prize Analysis" report attached as Exhibit II to the Commission's financial accounting records and the Megaplier Prize Settlement Report as of March 31, 2013 without exception.

We were not engaged to, and did not conduct on audit, the objective of which would be the expression of an opinion on the accounting records. 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 specified parties and is not intended to be and should not be used by anyone other than those specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
August 28, 2013

MS400L  
MS400PF1  
FIN15/VLTFRD

MEGAPLIER  
Texas Draw Activity  
From 04/03/2012 To 03/31/2013

Date: 4/10/13  
Time: 14:34:00  
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Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
4/03/2012	318,231	834,327	303,474		
4/06/2012	335,414	128,112	119,728		
4/10/2012	305,996	219,705	185,893		
4/13/2012	360,644	113,796	111,987		
4/17/2012	320,912	173,919	121,900		
4/20/2012	353,390	68,988	67,494		
4/24/2012	327,491	128,433	337,228		
4/27/2012	367,210	131,496	105,334		
5/01/2012	389,112	138,807	132,170		
5/04/2012	420,036	123,072	118,854		
5/08/2012	266,705	64,610	87,849		
5/11/2012	289,408	90,999	99,636		
5/15/2012	269,776	136,554	373,356		
5/18/2012	278,040	84,729	92,815		
5/22/2012	255,749	33,079	26,534		
5/25/2012	282,742	122,556	325,404		
5/29/2012	246,376	46,130	57,508		
6/01/2012	268,485	51,422	53,084		
6/05/2012	247,325	44,812	56,581		
6/08/2012	272,326	77,796	63,833		
6/12/2012	254,492	104,670	108,493		
6/15/2012	284,170	85,470	74,491		
6/19/2012	269,244	29,036	34,932		
6/22/2012	295,040	69,280	74,903		
6/26/2012	281,703	864,174	572,222		
6/29/2012	323,376	87,276	84,535		
7/03/2012	323,090	126,960	101,995		
7/06/2012	255,937	51,928	50,496		
7/10/2012	236,783	92,703	131,734		
7/13/2012	272,337	27,636	32,130		
7/17/2012	249,367	113,745	91,557		
7/20/2012	273,057	74,378	65,403		
7/24/2012	257,878	79,701	81,548		
7/27/2012	283,878	80,162	101,868		
7/31/2012	229,260	44,732	49,797		
8/03/2012	253,986	54,356	54,709		
8/07/2012	237,180	83,487	85,921		
8/10/2012	264,645	81,480	92,991		
8/14/2012	253,937	66,852	66,648		
8/17/2012	295,728	82,138	85,858		
8/21/2012	269,224	32,062	482,564		
8/24/2012	296,228	25,784	28,301		
8/28/2012	280,667	75,501	82,241		
8/31/2012	328,946	61,878	63,335		
9/04/2012	295,801	826,076	308,031		
9/07/2012	362,122	165,171	130,642		
9/11/2012	347,950	86,154	94,735		
9/14/2012	246,904	70,725	70,246		
9/18/2012	223,992	50,496	54,245		
9/21/2012	231,407	64,974	72,542		
9/25/2012	214,462	86,124	61,594		
9/28/2012	240,336	77,700	303,506		

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FIN15/VLIPRD

MEGALIER  
Texas Draw Activity  
From 04/03/2012 To 03/31/2013

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Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
10/02/2012	227,431	105,090	100,735		
10/05/2012	250,260	54,654	59,484		
10/09/2012	232,639	75,462	87,444		
10/12/2012	259,285	81,813	102,603		
10/16/2012	245,879	74,655	90,065		
10/19/2012	223,931	57,744	65,300		
10/23/2012	206,811	28,086	20,494		
10/26/2012	227,174	42,797	30,387		
10/30/2012	212,122	70,677	68,201		
11/02/2012	246,123	51,510	509,454		
11/06/2012	209,746	46,094	56,038		
11/09/2012	222,045	97,635	86,065		
11/13/2012	206,269	19,671	18,961		
11/16/2012	232,031	851,487	293,523		
11/20/2012	226,801	100,605	289,453		
11/23/2012	235,468	75,753	73,078		
11/27/2012	291,487	90,159	320,992		
11/30/2012	251,847	74,858	61,988		
12/04/2012	214,113	65,007	61,808		
12/07/2012	233,060	66,594	51,973		
12/11/2012	216,733	64,797	74,466		
12/14/2012	240,462	70,785	64,842		
12/18/2012	205,331	71,856	67,942		
12/21/2012	223,106	44,586	264,062		
12/25/2012	179,661	57,207	54,685		
12/28/2012	225,905	60,906	69,608		
1/01/2013	204,299	71,970	113,606		
1/04/2013	237,727	65,991	75,356		
1/08/2013	222,848	69,666	89,196		
1/11/2013	247,427	73,245	87,511		
1/15/2013	234,052	80,850	88,530		
1/18/2013	263,068	53,154	52,914		
1/22/2013	255,314	99,268	73,034		
1/25/2013	275,930	87,534	102,979		
1/29/2013	199,195	43,138	49,680		
2/01/2013	224,752	46,648	48,914		
2/05/2013	213,946	103,881	93,748		
2/08/2013	221,728	64,284	515,599		
2/12/2013	203,575	62,958	44,262		
2/15/2013	227,717	64,893	60,004		
2/19/2013	213,995	45,000	45,870		
2/22/2013	217,092	45,752	45,088		
2/26/2013	202,488	146,361	116,752		
3/01/2013	237,156	817,734	290,407		
3/05/2013	222,673	37,844	43,310		
3/08/2013	242,313	76,929	75,568		
3/12/2013	226,070	108,063	100,297		
3/15/2013	219,318	29,008	38,999		
3/19/2013	205,653	44,750	57,222		
3/22/2013	236,101	64,635	71,098		
3/26/2013	217,312	55,461	54,647		
3/29/2013	247,130	82,575	83,885		
* Totals *	26,773,094	11,778,231	12,197,002		



MS400L  
MS400PF3  
FIN15/VLTPRD

MEGAPLIER  
Fixed Prize Analysis  
From 04/03/2012 To 03/31/2013

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	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California					
Georgia	326,471	1,304,649	2,008,079	353,399-	23,560-
Illinois	1,241,291	5,500,677	4,010,378	2,786,998	55,408-
Massachusetts	377,351	1,110,026	1,437,997	93,103	43,723-
Maryland	396,772-	1,266,256	1,933,416	1,013,706-	50,226-
Michigan	478,079-	1,508,339	2,340,236	1,288,317-	21,659-
New Jersey	820,777	2,241,271	3,329,791	169,808-	97,935-
New York	164,193-	4,380,535	4,502,974	159,695-	126,937-
Ohio	160,927	8,157,689	5,630,013	2,743,785	55,182-
POWER BALL					
Texas	1,780,609-	11,778,231	12,197,002	2,753,934-	554,554
Virginia	631,519-	3,693,643	3,248,842	114,566-	72,152-
Washington State	524,355	473,986	776,574	229,539	7,772-
<b>** Totals **</b>		<b>41,415,302</b>	<b>41,415,302</b>		