

**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 Power Play'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 4, 2012, April 7, 2012, June 13, 2012, November 14, 2012, and November 24, 2012.

- 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 Power Play 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 Power Play 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 Power Play 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 April 2011 and June 2011 Expired Prize Settlement ("EPS") reports prepared by the Virginia Lottery on May 8, 2012 and August 8, 2012 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 Power Play 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 Power Play 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

Exhibit I

MS100L  
MS100P1  
FIN76/VLTPRD

POWER PLAY  
Texas Draw Activity  
From 04/04/2012 To 03/31/2013

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Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
4/04/2012	172,764	41,313	42,979		
4/07/2012	191,935	142,338	82,195		
4/11/2012	185,636	43,550	66,398		
4/14/2012	228,399	55,343	56,859		
4/18/2012	216,293	53,900	54,064		
4/21/2012	240,731	58,404	58,365		
4/25/2012	236,376	59,161	59,736		
4/28/2012	173,155	45,585	51,551		
5/02/2012	154,731	39,502	47,223		
5/05/2012	171,479	44,174	45,294		
5/09/2012	159,721	38,647	284,588		
5/12/2012	180,113	43,573	44,277		
5/16/2012	174,428	45,534	46,201		
5/19/2012	217,866	1,053,376	317,126		
5/23/2012	205,592	50,344	48,192		
5/26/2012	231,216	55,781	55,398		
5/30/2012	214,746	53,152	61,370		
6/02/2012	270,458	104,566	80,894		
6/06/2012	263,176	99,372	90,932		
6/09/2012	312,277	112,011	103,875		
6/13/2012	325,479	85,750	83,488		
6/16/2012	174,878	75,485	53,833		
6/20/2012	158,766	39,827	47,102		
6/23/2012	180,020	44,986	44,702		
6/27/2012	145,603	34,692	36,349		
6/30/2012	170,527	73,024	51,157		
7/04/2012	149,817	42,017	39,837		
7/07/2012	182,610	46,718	313,073		
7/11/2012	171,216	74,335	59,985		
7/14/2012	199,514	55,833	56,031		
7/18/2012	206,318	82,048	61,380		
7/21/2012	223,625	57,011	55,321		
7/25/2012	217,477	81,935	58,834		
7/28/2012	241,795	65,745	68,925		
8/01/2012	265,327	67,141	66,565		
8/04/2012	310,704	110,833	127,042		
8/08/2012	343,654	128,316	141,655		
8/11/2012	419,757	100,593	108,499		
8/15/2012	739,628	186,974	230,095		
8/18/2012	168,274	38,430	308,719		
8/22/2012	160,104	42,450	305,490		
8/25/2012	181,259	48,438	66,813		
8/29/2012	166,152	40,308	47,629		
9/01/2012	199,456	50,754	58,988		
9/05/2012	177,928	46,846	54,493		
9/08/2012	219,191	57,667	72,890		
9/12/2012	193,248	77,992	56,277		
9/15/2012	226,274	84,678	69,188		
9/19/2012	221,254	58,246	67,277		
9/22/2012	255,933	71,295	81,758		
9/26/2012	281,476	73,577	322,772		
9/29/2012	165,083	43,248	66,780		

MS400L  
 MS400P1  
 FIN76/VLTPRD

POWER PLAY  
 Texas Draw Activity  
 From 04/04/2012 To 03/31/2013

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Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
10/03/2012	154,125	39,588	280,861		
10/06/2012	159,451	75,125	50,974		
10/10/2012	145,743	36,083	42,354		
10/13/2012	164,815	73,516	65,749		
10/17/2012	152,320	74,771	60,402		
10/20/2012	177,498	75,668	54,441		
10/24/2012	166,492	43,914	43,565		
10/27/2012	203,794	55,216	52,826		
10/31/2012	192,017	49,437	51,600		
11/03/2012	230,394	62,889	71,037		
11/07/2012	226,073	55,269	61,763		
11/10/2012	265,311	1,094,745	328,869		
11/14/2012	272,456	75,213	76,152		
11/17/2012	341,878	1,084,214	347,467		
11/21/2012	389,270	1,099,842	348,221		
11/24/2012	659,802	253,676	492,042		
11/28/2012	2,700,212	815,151	1,563,919		
12/01/2012	185,737	48,257	56,297		
12/05/2012	182,259	49,207	57,267		
12/08/2012	187,119	108,249	64,080		
12/12/2012	189,034	46,028	46,227		
12/15/2012	179,594	75,344	68,240		
12/19/2012	171,090	74,713	63,123		
12/22/2012	179,624	108,739	333,011		
12/26/2012	153,173	1,037,855	298,690		
12/29/2012	175,093	41,849	50,081		
1/02/2013	157,629	38,968	37,936		
1/05/2013	178,975	46,174	45,102		
1/09/2013	164,429	41,887	48,788		
1/12/2013	191,880	55,010	320,227		
1/16/2013	179,296	50,557	57,054		
1/19/2013	228,749	93,548	70,984		
1/23/2013	212,833	59,502	64,496		
1/26/2013	242,654	93,806	69,394		
1/30/2013	252,141	61,291	67,828		
2/02/2013	316,613	1,108,833	342,839		
2/06/2013	361,121	155,382	109,597		
2/09/2013	189,138	107,721	65,273		
2/13/2013	169,900	75,338	61,378		
2/16/2013	197,615	51,719	51,194		
2/20/2013	182,876	50,801	57,791		
2/23/2013	212,396	87,855	330,213		
2/27/2013	207,237	84,112	61,162		
3/02/2013	267,562	65,002	80,787		
3/06/2013	259,144	124,964	78,868		
3/09/2013	298,151	76,882	93,299		
3/13/2013	305,858	82,265	98,628		
3/16/2013	374,352	125,143	604,173		
3/20/2013	439,733	113,031	147,885		
3/23/2013	781,513	230,712	213,094		
3/27/2013	165,534	69,466	54,243		
3/30/2013	205,289	53,131	61,430		
* Totals *	26,590,431	14,284,476	13,303,385		

MS400L  
MS400PF3  
FIN76/VLTPRD

POWER PLAY  
Fixed Prize Analysis  
From 04/04/2012 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)
Georgia	1,271,448	2,607,449	2,834,500	1,967,417	923,020-
Illinois	102,603-	5,071,159	5,046,340	565,401-	487,617
Massachusetts	421,897-	1,361,125	2,323,563	650,544-	733,791-
Maryland	343,568	2,387,196	2,344,553	61,281	324,930
Michigan	663,780-	2,744,925	2,901,829	1,021,885-	201,201
New Jersey	158,540-	2,955,538	4,962,725	664,315-	1,501,412-
New York	250,195-	6,449,915	5,820,959	860,491-	1,239,252
Ohio	519,761	5,196,527	5,433,162	50,993-	334,119
POWER BALL					
Texas	470,008-	14,284,476	13,303,385	711,838-	1,222,921
Virginia	150,369	4,184,018	3,795,677	797,386	258,676-
Washington State	218,123-	2,679,149	1,154,784	1,699,383	393,141-
<b>** Totals **</b>		<b>49,921,477</b>	<b>49,921,477</b>		