

**TEXAS LOTTERY COMMISSION**

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

**MARCH 31, 2014**

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, 2013 – March 31, 2014 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, 2013 to March 31, 2014 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, 2013 – March 31, 2014.

*Finding* – We randomly selected the following dates: May 4, 2013, August 24, 2013, September 28, 2013, November 30, 2013, January 22, 2014,

- 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 May 2012 and March 2013 Expired Prize Settlement ("EPS") reports prepared by the Virginia Lottery on June 11, 2013 and April 9, 2014 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, 2014 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, 2014 and ensure they are in agreement.

*Finding* – We agreed the balances listed as the Commission's receivable as of March 31, 2014 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, 2014 without exception.

We were not engaged to, and did not conduct an 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 22, 2014

MS400L  
MS100PF1  
FIN15/VLTPRD

POWER PLAY  
Texas Draw Activity  
From 04/03/2013 To 03/31/2014

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Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
4/03/2013	174,372	107,674	65,631		
4/06/2013	204,710	1,054,847	317,007		
4/10/2013	185,905	44,757	44,375		
4/13/2013	216,667	60,319	57,212		
4/17/2013	197,242	47,470	570,303		
4/20/2013	220,775	86,656	63,693		
4/24/2013	230,550	56,575	56,702		
4/27/2013	263,712	67,014	77,860		
5/01/2013	265,059	98,957	81,357		
5/04/2013	310,195	113,625	105,141		
5/08/2013	354,609	121,158	368,585		
5/11/2013	411,405	195,829	136,789		
5/15/2013	820,044	322,654	259,538		
5/18/2013	2,145,457	733,580	1,000,533		
5/22/2013	180,569	45,448	298,205		
5/25/2013	210,226	118,455	108,117		
5/29/2013	172,313	40,078	39,967		
6/01/2013	206,233	79,663	65,878		
6/05/2013	184,439	42,638	41,206		
6/08/2013	218,901	90,552	78,290		
6/12/2013	195,319	46,611	45,082		
6/15/2013	228,758	53,090	60,776		
6/19/2013	226,123	58,254	66,458		
6/22/2013	259,328	66,826	74,822		
6/26/2013	167,775	47,297	43,393		
6/29/2013	196,873	48,019	47,488		
7/03/2013	182,601	75,810	62,550		
7/06/2013	200,072	55,769	54,603		
7/10/2013	188,780	48,565	55,391		
7/13/2013	223,254	58,143	66,166		
7/17/2013	228,465	60,683	60,232		
7/20/2013	274,919	69,984	348,421		
7/24/2013	271,624	77,005	85,160		
7/27/2013	338,133	84,326	94,562		
7/31/2013	408,401	105,770	124,797		
8/03/2013	605,145	1,177,613	460,074		
8/07/2013	1,364,548	1,332,309	667,422		
8/10/2013	203,683	56,810	75,690		
8/14/2013	197,591	49,140	58,635		
8/17/2013	232,889	60,488	69,048		
8/21/2013	216,928	85,700	81,474		
8/24/2013	254,594	67,161	75,231		
8/28/2013	252,435	74,127	94,875		
8/31/2013	302,218	1,078,236	375,992		
9/04/2013	283,351	80,681	78,723		
9/07/2013	362,512	92,822	371,547		
9/11/2013	372,288	103,555	138,237		
9/14/2013	488,227	123,325	122,821		
9/18/2013	875,116	354,853	324,322		
9/21/2013	200,090	86,351	66,410		
9/25/2013	185,948	79,702	74,613		
9/28/2013	211,151	55,455	56,389		

Exhibit I

MS400L  
MS400PF1  
FIN15/VLTPRD

POWER PLAY  
Texas Draw Activity  
From 04/03/2013 To 03/31/2014

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Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
10/02/2013	195,466	52,934	67,652		
10/05/2013	220,806	60,830	94,477		
10/09/2013	227,659	63,795	60,939		
10/12/2013	260,766	65,141	65,558		
10/16/2013	248,615	61,123	61,597		
10/19/2013	284,478	74,990	77,793		
10/23/2013	305,062	85,471	96,083		
10/26/2013	199,951	50,510	68,312		
10/30/2013	176,690	45,847	45,509		
11/02/2013	209,553	84,756	88,924		
11/06/2013	190,820	109,486	92,886		
11/09/2013	217,271	53,215	50,373		
11/13/2013	216,005	56,422	55,515		
11/16/2013	252,672	65,683	73,737		
11/20/2013	172,340	49,484	74,327		
11/23/2013	190,773	49,978	66,417		
11/27/2013	185,978	48,730	48,232		
11/30/2013	200,740	53,032	52,105		
12/04/2013	198,363	50,805	68,830		
12/07/2013	216,140	56,357	64,718		
12/11/2013	243,945	67,379	85,712		
12/14/2013	230,341	54,905	62,249		
12/18/2013	215,109	51,253	50,458		
12/21/2013	185,429	48,488	49,567		
12/25/2013	166,729	40,218	38,375		
12/28/2013	174,789	44,869	317,917		
1/01/2014	163,953	41,737	50,483		
1/04/2014	194,385	49,673	48,816		
1/08/2014	177,828	73,720	51,924		
1/11/2014	202,001	47,262	53,867		
1/15/2014	194,261	81,504	87,081		
1/18/2014	236,425	90,940	78,888		
1/22/2014	218,962	75,706	94,194		
1/25/2014	245,058	35,407	37,802		
1/29/2014	319,256	46,960	53,745		
2/01/2014	417,385	91,976	804,117		
2/05/2014	425,863	124,856	130,154		
2/08/2014	498,096	94,953	84,461		
2/12/2014	365,735	61,864	53,445		
2/15/2014	508,429	1,222,126	526,669		
2/19/2014	1,039,111	1,314,624	657,217		
2/22/2014	194,216	158,580	146,121		
2/26/2014	182,538	26,402	26,838		
3/01/2014					
3/05/2014					
3/08/2014					
3/12/2014					
3/15/2014					
3/19/2014					
3/22/2014					
3/26/2014					
3/29/2014					
* Totals *	28,542,514	14,626,420	13,281,877		

MS400L  
MS400PF3  
FIN15/VLTPRD

POWER PLAY  
Fixed Prize Analysis  
From 04/03/2013 To 03/31/2014

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	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California					
Georgia	923,020-	1,769,381	2,669,435	1,738,250-	84,824-
Illinois	487,617	5,022,527	4,541,881	1,088,038	119,775-
Massachusetts	733,791-	2,410,433	2,169,869	426,158-	67,069-
Maryland	324,930	1,458,969	2,403,388	533,216-	86,273-
Michigan	201,201	1,660,466	2,584,677	636,283-	86,727-
New Jersey	1,501,412-	3,927,133	4,578,275	3,014,598-	862,044
New York	1,239,252	6,505,046	5,471,154	2,427,004	153,860-
Ohio	334,119	6,374,680	5,311,573	1,564,919	167,693-
POWER BALL					
Texas	1,222,921	14,626,420	13,281,877	2,567,464	
Virginia	258,676-	3,570,226	3,842,512	468,730-	62,232-
Washington State	393,141-	658,196	1,128,836	830,190-	33,591-
<b>** Totals **</b>		<b>47,983,477</b>	<b>47,983,477</b>		