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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Texas Lottery Commission and Mega Millions Member Lotteries
Austin, Texas

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 Mega Millions 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 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:

1. Obtain from the Texas Lottery Commission the "Draw Activity" and the "Fixed Prize Analysis" for the period April 1, 2010 through March 31, 2011 and attach those as Exhibits I and II, respectively. Prove the mathematical accuracy of the schedules and note any exceptions.

Finding – No exceptions were noted although the reports attached as Exhibits I and II detail the activity beginning April 2, 2010 through March 31, 2011, since April 2, 2010 was the first draw date of the period.

2. Randomly select five (5) draw dates from the period April 1, 2010 through March 31, 2011.

Finding – The following dates were selected for testing: May 18, 2010; June 1, 2010; September 24, 2010; November 23, 2010; and March 11, 2011.

Affiliated Companies

ML&R PERSONNEL SOLUTIONS LLC

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"A Registered Investment Advisor"

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3. For each draw date selected in step “2” 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 the 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 – No exceptions were noted.

4. Calculate the total dollar amount of the fixed prizes for the draw dates selected in step “2” 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 Mega Millions’ 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 – No exceptions were noted.

5. For each draw date selected in step “2” 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 Mega Millions Prize Settlement Reports and ensure they are in agreement.

Finding – No exceptions were noted.

6. 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 ICS 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 – April 2010 and October 2010 Expired Prize Settlement reports were selected for examination and no exceptions were noted.

7. 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 – No exceptions were noted.

8. For the amount (if any) listed in the “Cash Options Amount” column of the “Draw Activity” report attached as Exhibit I, obtain and compare the amount to the Texas Lottery Commission’s cash disbursement subsidiary records which summarize the funds disbursed to the prize winner.

Finding – This step was not performed as there were no Texas jackpot winners for the period April 2, 2010 through March 31, 2011.

9. For each purchase (if any) of investments associated with the jackpot prizes:

- i. Review broker confirmations to verify that investments are funded in accordance with allowed investment vehicles per the multi-state rules, regulations or procedures.
- ii. Obtain the bid sheets and supporting documentation and verify the investments were purchased through a competitive bidding process involving a minimum of three brokerage firms.
- iii. Review the Texas Lottery Commission's cash disbursement subsidiary records and confirm that the payment to the broker, plus the cash held by the Texas Lottery Commission for the initial cash payment, equals the amount listed in the "Annuitized JP Amount" column.
- iv. Obtain the Security Purchase report which lists the results of the security purchase and verify that the information reported to the group is accurate, including the annuity factor for the non-winning bidders.

Finding – These steps were not performed as there were no Texas jackpot winners for the period April 2, 2010 through March 31, 2011.

10. 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 – No exceptions were noted.

11. Compare the balance listed as the Texas Lottery Commission's receivable as of March 31, 2011 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 Mega Millions Prize Settlement Report as of March 31, 2011 and ensure they are in agreement.

Finding – No exceptions were noted.

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


August 29, 2011

		Actual Fixed		Share of Fixed	Annuitized JP	Cash Options	EXHIBIT I
Draw Date		Sales	Prizes	Prizes	Amount	Amount	
CA	4/02/2010	1,421,302	178,868	248,113			
	4/06/2010	1,324,942	400,850	208,668			
	4/09/2010	1,584,641	188,347	285,682			
	4/13/2010	1,610,625	216,027	287,653			
	4/16/2010	1,896,128	487,993	294,322			
	4/20/2010	1,960,129	243,146	384,682			
	4/23/2010	2,198,274	297,447	359,030			
	4/27/2010	2,320,576	253,605	352,793			
	4/30/2010	3,045,380	572,993	442,481			
	5/04/2010	3,445,927	662,057	699,771			
	5/07/2010	1,298,678	132,147	220,949			
	5/11/2010	1,142,908	135,948	192,342			
	5/14/2010	1,271,542	383,587	271,568			
	5/18/2010	1,218,541	153,859	287,138			
	5/21/2010	1,359,611	178,959	243,775			
	5/25/2010	1,266,545	456,141	358,928			
	5/28/2010	1,179,186	176,187	224,723			
MI	6/01/2010	951,408	103,131	173,337			
	6/04/2010	1,151,813	140,096	218,896			
	6/08/2010	1,078,906	369,109	150,240			
	6/11/2010	1,206,330	138,845	220,671			
	6/15/2010	1,017,283	130,673	193,326			
	6/18/2010	1,106,467	138,612	155,326			
NY	6/22/2010	1,033,162	394,518	301,624			
	6/25/2010	1,061,861	147,009	233,245			
	6/29/2010	966,378	104,621	184,544			
	7/02/2010	1,100,394	409,725	172,188			
	7/06/2010	983,956	112,178	176,213			
	7/09/2010	1,166,710	108,207	143,399			
CA	7/13/2010	1,138,045	396,829	219,743			
	7/16/2010	1,310,331	169,053	241,657			
	7/20/2010	964,659	354,064	159,798			
	7/23/2010	1,074,366	143,531	175,369			
	7/27/2010	1,001,532	684,103	496,204			
	7/30/2010	1,154,966	130,869	189,707			
	8/03/2010	1,125,318	129,857	142,458			
	8/06/2010	1,290,891	147,052	327,195			
	8/10/2010	1,238,287	133,955	236,825			
	8/13/2010	1,470,704	156,531	194,423			
CA	8/17/2010	1,406,539	137,392	273,261			
	8/20/2010	1,854,475	728,855	320,155			
	8/24/2010	1,842,487	223,405	282,532			
	8/27/2010	2,229,904	240,401	320,861			
	8/31/2010	1,053,206	361,113	160,054			
	9/03/2010	1,180,656	193,974	233,470			
	9/07/2010	978,024	363,592	215,881			
	9/10/2010	1,220,583	167,429	388,078			
	9/14/2010	1,138,755	125,400	217,651			
	9/17/2010	1,308,929	185,483	522,803			
NY	9/21/2010	982,125	362,393	154,441			
	9/24/2010	1,101,539	118,953	147,705			
	9/28/2010	1,013,140	107,803	141,271			

	Draw Date	Sales	Actual Fixed Prizes	Share of Fixed Prizes	Annuitized JP Amount	Cash Options Amount
MI	10/01/2010	1,210,712	386,200	233,872		
	10/05/2010	1,111,177	132,913	190,257		
	10/08/2010	1,282,964	137,316	185,579		
	10/12/2010	1,244,380	143,920	193,266		
	10/15/2010	1,460,836	209,673	249,279		
	10/19/2010	1,421,123	157,653	275,169		
	10/22/2010	1,868,593	465,500	306,060		
	10/26/2010	1,830,570	493,381	296,616		
	10/29/2010	2,159,338	244,697	359,126		
	11/02/2010	1,025,580	381,860	224,498		
	11/05/2010	1,103,043	614,175	187,561		
OH	11/09/2010	1,053,801	112,067	161,343		
	11/12/2010	1,083,696	367,340	292,410		
	11/16/2010	995,028	118,903	158,773		
	11/19/2010	1,136,658	125,688	212,791		
PB/WA	11/23/2010	1,071,190	123,377	222,371		
	11/26/2010	1,077,414	132,851	225,739		
	11/30/2010	1,150,858	132,685	173,379		
	12/03/2010	1,358,636	176,838	249,511		
	12/07/2010	1,351,762	154,946	192,577		
	12/10/2010	1,551,336	437,636	288,870		
	12/14/2010	1,736,522	207,569	298,528		
	12/17/2010	2,126,995	226,733	352,021		
	12/21/2010	2,319,625	294,721	370,581		
	12/24/2010	3,056,269	599,293	592,597		
	12/28/2010	3,399,505	686,707	612,763		
	12/31/2010	7,187,869	1,101,728	1,226,322		
	1/04/2011	15,879,230	2,462,921	3,121,863		
	1/07/2011	1,271,841	120,899	182,187		
	1/11/2011	1,177,864	148,680	226,305		
	1/14/2011	1,341,322	662,746	264,095		
MI/PB	1/18/2011	1,291,498	160,135	283,100		
	1/21/2011	1,443,140	682,723	271,155		
	1/25/2011	1,436,920	411,870	242,365		
	1/28/2011	1,648,416	699,860	230,809		
	2/01/2011	1,566,435	198,627	312,057		
	2/04/2011	1,118,199	355,845	166,654		
	2/08/2011	1,245,322	384,996	282,079		
	2/11/2011	1,318,846	167,184	325,549		
	2/15/2011	1,316,531	419,436	184,369		
	2/18/2011	1,477,487	172,699	274,631		
	2/22/2011	1,429,426	136,359	284,220		
	2/25/2011	1,596,776	225,649	332,404		
	3/01/2011	1,577,686	223,328	299,822		
	3/04/2011	1,924,760	266,489	386,566		
	3/08/2011	2,010,807	462,927	362,693		
	3/11/2011	2,338,133	294,315	385,800		
NY	3/15/2011	2,557,880	530,228	456,724		
	3/18/2011	3,426,621	846,465	566,452		
	3/22/2011	4,585,545	1,004,729	874,703		
NY	3/25/2011	8,265,350	1,694,870	1,337,550		
	3/29/2011	1,180,575	161,117	183,940		
* Totals *		183,251,154	34,438,389	33,617,120		

	Receivable (Payable)	Actual Fixed Prizes	Share of Fixed Prizes	Qtrly/Yrly Settlements Transfers In(Out)	Receivable (Payable)
California					
Georgia	541,683	29,943,133	28,491,637	1,695,330	297,849
Illinois	312,773	30,801,291	31,605,329	151,152	642,417-
Massachusetts	465,195-	18,664,610	19,683,458	1,041,921-	442,122-
Maryland	633,950	18,236,906	19,303,149	325,974-	106,319-
Michigan	511,378-	30,559,462	31,399,443	1,266,395-	84,964-
New Jersey	168,111-	44,560,941	44,612,816	779,586-	559,600
New York	580,277-	88,347,903	85,093,594	2,242,327	431,705
Ohio	1,228,191-	32,657,447	31,290,398	48,401	90,457
POWER BALL					
Texas	349,537	34,438,389	33,617,120	540,588	630,218
Virginia	216,448	22,896,267	25,731,902	1,621,282-	997,905-
Washington State	898,761	10,212,883	10,490,386	357,360	263,898
** Totals **		361,319,232	361,319,232		