



John Keel, CPA
State Auditor

A Report on

An Audit of the Texas Lottery Commission's Annual Financial Report for the Fiscal Year Ended August 31, 2006

December 28, 2006

Members of the Legislative Audit Committee:

In our audit report dated December 18, 2006, the State Auditor's Office determined that the financial statements of the Texas Lottery Commission (Commission) for the year ended August 31, 2006, were materially correct and presented in accordance with accounting principles generally accepted in the United States of America.

We also issued a report on internal control over financial reporting and on compliance and other matters as required by auditing standards. Our procedures were not intended to provide an opinion on internal control over financial reporting or compliance with certain provisions of laws and regulations. However, our procedures did not identify any material weaknesses in internal control over financial reporting or instances of noncompliance or other matters that materially affected the financial statements.

We appreciate the cooperation and assistance of Commission staff during this audit. If you have any questions, please contact Mike Apperley, Assistant State Auditor, or me at (512) 936-9500.

Sincerely,

John Keel, CPA
State Auditor

cc: Members of the Texas Lottery Commission
Mr. C. Tom Clowe, Jr., Chairman
Mr. James A. Cox, Jr.
Mr. Anthony J. Sadberry, Executive Director, Texas Lottery Commission





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