

To the Agency Commissioners of
the Maryland Lottery and Gaming Control Agency:

We are engaged to audit the monthly special-purpose financial statements of the Maryland Lottery and Gaming Control Agency (the Agency) for the periods July 31, 2016 to June 30, 2017. Professional standards require that we provide you the following information related to our audits. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our contract dated August 11, 2015, our responsibility, as described by professional standards, is to express opinions about whether the special-purpose financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the regulatory basis of accounting and budget laws of the State of Maryland, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Our audits of the financial statements do not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audits. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

This information is intended solely for the use of the Maryland Lottery and Gaming Control Agency, the Agency's Commissioners, and the State of Maryland, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Stout, Causey & Horning, P.A.

October 13, 2016