

Audit Committee
Minutes of Special Meeting

Held on
June 17, 2014 at 9:45 a.m.

at
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut

Committee Members: Bob Morgan, Chair of the Audit Committee; Patrick Birney; Steve Bafundo (via teleconference); and Robert Dakers

Board Members: Frank Farricker, Chairman of the Board of Directors

CLC Staff Members: Anne Noble, President & CEO; Diane Patterson; Chelsea Turner; Paul Granato; Lana Glovach; and Annmarie Daigle

Call to Order: Mr. Morgan called the meeting to order at 9:50 a.m.

I. Approval of Minutes

On motion made by Mr. Birney, seconded by Mr. Dakers, and unanimously approved, it was:

Resolved, that the minutes of the April 21, 2014 Audit Committee Special Meeting are approved.

II. Executive Session

At 9:51 a.m., Mr. Morgan proposed a motion to enter into Executive Session to discuss:

- Attorney/Client Communications re:
 - Alumni Road Leases
 - FOIA Fee Policy

On motion made by Mr. Birney, seconded by Mr. Dakers, and unanimously approved, the Audit Committee entered into Executive Session. Ms. Noble, Ms. Patterson, Ms. Turner, Mr. Granato, and Ms. Glovach were invited to attend the entire Executive Session.

At 10:37 a.m., the Committee reconvened in regular session. Mr. Morgan stated that no actions or votes had taken place during the Executive Session.

III. Old Business

Mr. Granato advised the Committee of a minor error near the end of the Corporation's FY 2013 Annual Report – specifically, in the Schedule of Profit Margins by Game Type for the fiscal year ended June 30, 2012. That error does not affect the Corporation's financial statements for FY 2013 that were audited by Ernst & Young. Mr. Granato proposed to rectify the situation by reissuing only that schedule and sending that revised schedule to the stakeholders who originally received the FY 2013 Annual Report. Although that schedule is management-prepared, EY

reviews it in connection with the Corporation's financial statements. The Committee asked management to express to EY the Committee's disappointment in the result. Mr. Birney also expressed interest in participating in the next public solicitation for financial auditing services.

IV. New Business

On motion made by Mr. Birney, seconded by Mr. Dakers, and unanimously approved, it was:

Resolved, that, after review of the leases for office and warehouse space at 81 Alumni Road in Newington, consideration of the State Properties Review Board's comments in relation to them, and review of a listing of persons and entities having a financial interest in that property, the Audit Committee recommends to the Board of Directors that the Board approve those leases and authorize the President to execute those leases on the Corporation's behalf.

V. Adjournment

On motion made by Mr. Birney, seconded by Mr. Dakers, and unanimously approved, the meeting was adjourned at 10:50 a.m.

Respectfully submitted,

Chelsea E. Turner
Secretary
Connecticut Lottery Corporation