Meeting Minutes Audit Committee of the South Carolina Education Lottery Board of Commissioners June 20, 2013 9 A.M.

A meeting of the Audit Committee of the South Carolina Education Lottery Board of Commissioners was held on Thursday, June 20, 2013, at 9 a.m. in the Third Floor Conference Room (#352), 1333 Main Street, Columbia, South Carolina.

The following committee members participated:

Peter Bristow, Chair Dr. Edward Keith Nancy Latham Otis Morris

The Chair called the meeting to order.

Interim Report from Elliott Davis

The Chair recognized Elliott Davis Shareholder, Tom McNeish, to provide members of the Audit Committee an update of Elliott Davis' audit of SCEL's FY13 financial statements to-date. Mr. McNeish noted that the preliminary audit work is complete; however, the fiscal year 2013 financial statements will not be final until after June 30, 2013. At that time, the financial statements will be completed and reviewed, and Elliott Davis will be able to provide an audit letter. Mr. McNeish anticipates being able to provide the FY13 audited financial statements between September and October of 2013.

Mr. McNeish also updated the Committee members of the new Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions," which is effective for financial statements for periods beginning after June 15, 2013. Statement No. 68 will require governments with defined plans to disclose unfunded pension liability on their balance sheets.

Members of the Committee asked questions of Mr. McNeish related to the issues addressed and specifically concerning the review and testing of internal controls in the upcoming audit.

Other Business

There being no further business, the meeting of the Audit Committee was adjourned.



As required by Section 30-4-80, notification for this meeting was posted at SCEL headquarters, 1333 Main Street in Columbia. As provided in the Board Bylaws, the meeting notice and agenda were also posted on the SCEL website, sceducationlottery.com, and sent via facsimile transmission pursuant to requests made by media outlets and other organizations. These notifications included the time, date, place and agenda of the meeting.