



DRAFT Minutes
Finance Committee
Special Meeting

December 5, 2023 at 9:00 a.m.
15 Sterling Drive
Wallingford, CT 06492
via teleconference

- Committee Members: Steven Ezzes, Chair of the Finance Committee; Michael Cicchetti; Matthew Daskal; and Douglas Dalena (all via teleconference).
- Staff Members: Gregory Smith, President & CEO; Melissa Durso; Catherine Martorella; and Annmarie Daigle.
- Guests: Jessica Aniskoff and Vanessa Rossitto of CliftonLarsonAllen.

I. Welcome:

Mr. Ezzes called the meeting to order at 9:00 a.m. and welcomed the Committee Members and Auditors to the meeting.

II. CliftonLarsonAllen Review of Audited Financial Statements for the period ended June 30, 2023:

Jessica Aniskoff and Vanessa Rossitto of CliftonLarsonAllen proceeded to go through a summary presentation of the financial audit, noting that CliftonLarsonAllen has issued an unmodified or clean opinion on the Lottery's financial statements, meaning that there were no findings on report or on internal control and compliance. The audit confirmed total revenue of \$1.703 billion, an increase over last year by approximately \$100 million, mainly due to the addition of sports betting. Payments to the General Fund totaled \$404.1 million, the second highest in the history of the Corporation.

Ms. Rossitto noted that the governance communication letter was received by the Committee in advance of the meeting. She noted that as far as new standards for 2024, there are two standards that are required to be implemented -- Statement 99, Omnibus 2022 and Statement 100, Accounting Changes and Error Corrections.

III. Approval of June 7, 2023 Meeting Minutes:

On a motion by Mr. Dalena, seconded by Mr. Ezzes, and with Mr. Daskal abstaining, the minutes of the June 7, 2023 meeting were approved.

IV. Sales and General Fund Transfer Update:

Ms. Martorella reported that Total Sales to date are \$581 million, which is 2% below budget and \$47.5 million short of last year. General Fund Transfers are at \$160 million. Overall hold for sports betting is 9% with \$1.2 million paid to the general fund.

V. Quarterly Ratings Report of Insurance Companies:

Ms. Martorella noted that the insurance companies that provide annuity products to CLC all have a current stability rating of A or A+, with the exception of Monarch, who has a less than favorable rating, we continue to monitor.

VI. Update on Selection of Financial Auditor:

Ms. Martorella provides an update regarding the procurement process of the Selection of Financial Auditor, noting that RFQ submissions were due on December 4, 2023.

VII. Adjournment:

On a motion by Mr. Daskal and seconded by Mr. Cicchetti, the meeting adjourned at 9:27 a.m.

Respectfully submitted,

Melissa Durso
Corporate Secretary
Connecticut Lottery Corporation