



DRAFT Minutes
Finance Committee
Special Meeting

December 10, 2024 at 9:30 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: Frank Suarez, President & CEO; Melissa Durso; Catherine Martorella; and Annmarie Daigle.

Guests: Thomas Goldfuss and Caitlin Nero of Whittlesey.

I. Welcome:

Mr. Ezzes called the meeting to order at 9:30 a.m. and welcomed the Committee Members and CLC's Financial Auditors to the meeting.

II. Whittlesey Review of Audited Financial Statements for the period ended June 30, 2024:

Tom Goldfuss and Caitlin Nero proceeded to go through a summary presentation of the financial audit, noting that Whittlesey, in their first year as CLC's financial auditor, have 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. All information requested from management was provided promptly and on schedule. The audit confirmed Sales revenue, which includes lottery and sports wagering, totaled \$1.68 billion, declined \$22 million or 1.3% compared to the prior year. Cost of sales, including prizes and commissions, totaled \$1.26 billion, down \$1.25 million or 0.1% compared to the prior year. Operating expenses of \$23.5 million, increased \$4.3 million or 22% compared to the same period last year due to a change in pension liability. Transfers to the State's General Fund totaled \$387 million, down \$17 million or 4%.

III. Approval of June 5, 2024 Meeting Minutes:

On a motion by Mr. Cicchetti, seconded by Mr. Dalena, the minutes of the June 5, 2024 meeting were unanimously approved.

IV. Approval of September 26, 2024 Special Meeting Minutes:

On a motion by Mr. Daskal, seconded by Mr. Cicchetti, the minutes of the September 26, 2024 meeting were unanimously approved.

V. Sales and General Fund Transfer Update:

Ms. Martorella reported that total sales to date are \$582 million, which is about \$21 million short of last year. The Game of Thrones scratch game launched earlier this week and has a 2nd Chance experiential prize. General fund transfers are at \$154 million, down about 8% from budget and 2.8% from last year. iLottery is moving forward on target and we had our first big winner (Play4)

to headquarters. Sports Betting sales are at \$179 million, a 55% increase from last year. Sports Betting transfers to the general transfers are \$2.2 million, about \$1 million higher than last year.

VI. 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.

VII. Adjournment:

On a motion by Mr. Dalena and seconded by Mr. Cicchetti, the meeting adjourned at 9:55 a.m.

Respectfully submitted,

Melissa Durso
Corporate Secretary
Connecticut Lottery Corporation