



**Finance Committee
Special Meeting**
February 9, 2022 at 10:30 a.m.
via teleconference

Committee Members: Steven Ezzes, Chair of the Finance Committee; Michael Cicchetti; and Manny Langella (all via teleconference).

Staff Members: Gregory Smith, President & CEO; Melissa Durso; Paul Granato; and Annmarie Daigle.

I. Welcome:

Mr. Ezzes called the meeting to order at 10:33 a.m.

II. Approval of the November 19, 2021 Finance Committee Meeting Minutes:

On a motion by Mr. Cicchetti and seconded by Mr. Ezzes, the minutes of the November 19, 2021 Finance Committee were unanimously approved.

III. New Business:

a. Review of Financial Statements for the period ended January 31, 2022

Mr. Granato reviewed the financial statements for the seven months ended January 31, 2022, noting Total Sales of \$860.0 million for the period, ahead of budget by \$31 million or 3.7% and behind the prior year by \$3.8 million. Cost of Sales were \$599.9 million, which was \$10.6 million more than budget and \$4.3 million more than the prior year. General Fund Transfers are \$239.4 million, \$20.2 million ahead of budget and \$14.4 million behind the prior year.

b. Quarterly Insurance Company Rating Report:

Mr. Granato discussed the quarterly summary of the insurance companies and their most recent credit ratings, noting that the insurance companies remained stable during this period. The one exception is Monarch Life Insurance, who remains under regulatory supervision as they have been for 30 years. They continue to make all payments as agreed and have not missed any payments. The Lottery has only six remaining contracts with them.

c. Discussion of FY2022 Financial Statement Audit Timeline

Mr. Granato reviewed the Financial Statement Audit Timeline, noting that Clifton Larson Allen is our external audit firm. They will begin their work in early May, be onsite in June and then again in August to wrap up their fieldwork. The goal is to have the financial statements complete and to the Finance Committee and to the Board in October.

d. Discussion of FY2023 Budget Timeline and Process

Mr. Granato noted that the Budget process will begin in the next 30 days internally. The bylaws of the Lottery state that the budget must be presented to the Finance Committee 60 days prior to yearend, which is May 1st with a Committee meeting scheduled shortly thereafter and subsequent

meeting in early June to go over any revisions to the Budget prior to presenting at the June Board Meeting for full Board approval.

IV. Adjournment:

On a motion by Mr. Langella and seconded by Mr. Cicchetti, the meeting adjourned at 11:11 a.m.

Respectfully submitted,

Melissa Durso
Corporate Secretary
Connecticut Lottery Corporation