



DRAFT

**Finance Committee
Special Meeting**

December 7, 2022 at 1:00 p.m.
777 Brook Street
Rocky Hill, CT 06067
via teleconference

Committee Members: Steven Ezzes, Chair of the Finance Committee; Michael Cicchetti; Matthew Daskal; and Manny Langella (joined at 1:17 p.m.) (all via teleconference).

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

Guests: Angelo Lombardo and Vanessa Rossitto of CliftonLarsonAllen.

I. Welcome:

Mr. Ezzes called the meeting to order at 1:02 p.m.

II. CliftonLarsonAllen Review of Audited Financial Statements for the period ended June 30, 2022:

Vanessa Rossitto, audit partner, 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, and no significant deficiencies or material weaknesses reported. The audit confirmed total revenue of \$1.6 billion, an increase over last year by approximately \$1 million, mainly due to the addition of sports betting.

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, GASB 87 was adopted this year and that none of the new leases were material enough to report them. For 2023, there are three standards that are required to be implemented, most important in terms of affecting CLC is Statement 96, which is the same as the lease standard but for software subscription agreements.

III. Approval of July 20, 2022 Meeting Minutes:

On a motion by Mr. Cicchetti, seconded by Mr. Daskal, and unanimously approved the minutes of the July 20, 2022 meeting were approved as amended.

IV. Sales and General Fund Transfer Update:

Catherine Martorella, Director of Finance and Acting CFO, reported that Total Sales for October were \$126 million, which is 3% ahead of budget and 0.7% ahead of the prior year due to the historic \$1.9 billion Powerball run which was won in the first week of November. General Fund Transfers were \$37.7 million for the month of October.

For the four months ending October 31, 2022, Total Sales were \$484 million, down 2.5% from the prior year and slightly ahead of budget, 0.6%. General Fund Transfers year-to-date are \$137.5 million, up \$11.4 million from budget.

V. Quarterly Ratings Report of Insurance Companies:

Mr. Smith noted that the insurance companies that provide annuity products to CLC all have a current stability rating of A or A+, no changes in ratings since the last report.

VI. Adjournment:

On a motion by Mr. Cicchetti and seconded by Mr. Daskal, the meeting adjourned at 1:33 p.m.

Respectfully submitted,

Melissa Durso
Corporate Secretary
Connecticut Lottery Corporation