



**Special Meeting  
of the Finance Committee**

Held on  
Friday, February 1, 2019 at 8:00 a.m.,  
at the  
Connecticut Lottery Corporation  
777 Brook Street  
Rocky Hill, Connecticut 06067

Committee Members: Patrick Birney, Chairperson of the Finance Committee; Patti Maroney; and Robert Morgan.

Staff Members: Greg Smith, President & CEO; Chelsea Turner; Paul Granato; Matthew Stone; Annmarie Daigle; and Kristen Williams.

Call to Order: Mr. Birney called the meeting to order at 8:02 am.

I. Approval of December 7, 2018 Minutes:

On a motion made by Mr. Morgan and seconded by Ms. Maroney, the minutes of the December 7, 2018 Special Meeting of the Finance Committee were unanimously approved.

II. Review of Financial Statements for the period ended December 31, 2018:

Mr. Granato reported on the unaudited results for the quarter ended December 31, 2018. The reporting specified the individual game performance including sales, cost of sales, operating expenses and contributions to the General Fund.

Three-month highlights ended December 31, 2018:

- Total sales for the quarter were \$355.3 million compared to \$312.4 million for the prior year, an increase of \$42.9 million or 13.7%. Mr. Granato highlighted the continued growth of Keno which added \$24.8 million of revenue for the quarter compared to \$20.4 million in the prior year, up \$4.4 million or 21.7%, and the exceptional performance of the multistate games, up \$31.9 million or 98% year over year.
- Transfers to the General Fund totaled \$99.7 million for the quarter ending December 31, 2018 compared to the \$82.8 million from prior year, an increase of \$16.9 million, or 20.5%.

Six-month highlights ended December 31, 2018:

- Total sales for the first six months ended December 31, 2018 were \$664.6 million compared to \$628.1 million for the prior year, an increase of \$36.5 million or 5.8%.
- Total sales exceeded budget by \$30.2 million or 4.8%. Sales revenue for the instant ticket portfolio of games exceeded budget by \$1.3 million and Mega Millions revenue exceeded budget by \$27.3 million. Keno sales revenue exceeded budget by \$2.2 million.
- Transfers to the General Fund totaled \$185.9 million through December 31, 2018, which is an average of over \$1 million per day, the best six-month period on record, exceeding budget by \$16.5 million or 8.9% through December 31, 2017.

III. Discussion of FY2019 Financial Statement Audit Timeline:

Mr. Granato reported that our auditors, Blum Shapiro, will be on site to perform preliminary work in early June 2019. They will be returning in August 2019 to finalize their audit in time for the September 2019 Board of Directors' Meeting.

IV. Discussion of FY2020 Budget Timeline:

Mr. Granato stated that the budget preparation process will begin this month and will be completed for presentation to the Finance Committee no later than May 1, 2019. In conjunction with that timeframe, Mr. Birney also requested for the Finance Committee to meet on the following dates:

- May 3, 2019 at 10:00 a.m. for review of third quarter financial statements.
- May 10, 2019 at 9:00 a.m. for a budget workshop.

At this time, Mr. Morgan inquired about the status of sports betting and internet lottery legislation for this legislative session. Ms. Turner replied that she and Mr. Walter have attended approximately thirty meetings at the Capitol and these conversations are ongoing. She added that these topics may not be resolved one way or another until the end of the session.

On a motion by Mr. Morgan and seconded by Ms. Maroney, the meeting was adjourned at 9:12 am.

Respectfully Submitted,

---

Paul A. Granato  
Chief Financial Officer