



November 9, 2021

The Honorable Michael W. Frerichs
Illinois State Treasurer
James R. Thompson Center
100 W. Randolph St, Suite 15-600
Chicago, IL 60601

Re: September 2021 - Monthly Report of Revenues, Prize Disbursements and Other Expenses by the Illinois Department of the Lottery

Dear Mr. Frerichs:

In accordance with the requirements of the Illinois Lottery Law, 20 ILCS 1605/9, attached, please find the Report of Revenues, Prize Disbursements and Other Expenses for the Illinois Department of the Lottery (Department) for the Month Ending September 30, 2021. Also, included is an explanation of Lottery transfers. This report will be updated and distributed to you after each month end. If you have any questions, please contact Carol Radwine, CFO of the Lottery, at (217) 558-4817.

Sincerely,

Harold Mays
Acting Director, Illinois Lottery

cc: The Honorable Don Harmon
The Honorable Emanuel C. Welch
The Honorable Dan McConchie
The Honorable Jim Durkin
Members of the Illinois Lottery Control Board

J.B. Pritzker
Governor

Harold Mays
Acting Director

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Explanation of Transfers by the Department of the Lottery

Transfers to the Common School Fund

The Illinois Department of the Lottery is statutorily mandated to transfer proceeds to the Common School Fund, on a monthly basis, a prescribed amount based on the FY'09 amount transferred adjusted for inflation. The transfer shall be made on the last day of each month or shortly thereafter. The rate of inflation used in calculating transfers to the Common School Fund is defined in administrative rules. The prescribed amount of Fiscal Year 2022 is **\$775.0 million**.

The Department transferred **\$50.0 million** to the Common School Fund for September proceeds which was made on September 22nd. Thru September, the Department has transferred **\$165.0 million (21.3%)** of the prescribed amount to the Common School Fund.

Transfers to Specialty Causes

Per the Illinois Lottery Law (20 ILCS 1605/21.5 thru 21.13), the Illinois Department of the Lottery shall offer a special instant scratch-off game for eight various causes as outlined in the Law in Fiscal Year 2022. The Department transfers the net proceeds from these causes to the specified funds within the State of Illinois on a monthly basis. The net proceeds are transferred one month in arrears of the revenues being generated and upon final reconciliation of instant sales, less prize expense, and operating expenses of the specific ticket. During July, the special causes the Department supports earned net proceeds of **\$1.1 million**. This amount was cash transferred in October.

Payments to the Capital Projects Fund

The Illinois Department of the Lottery requests the Illinois Office of the Comptroller to make one annual deposit into the Capital Projects Fund. On or before September 30 of the fiscal year, the Department estimates the net income available after transfers to Common School Fund and specialty ticket funds.

Illinois Department of the Lottery
Report of Revenues, Expenses, and Operating Income
For the Month Ending September 30, 2021

In September, the Department generated sales of **\$283.4 million** and related prize expense of **\$178.0 million**. Per the Illinois Lottery Law (20 ILCS 1605/10.3), the Department is required to collect proceeds from the sale of Lottery tickets net of prizes paid and commissions earned from authorized retailers. The proceeds resulted in cash collections of **\$140.0 million** from the weekly net sweeps of Lottery retailer's accounts and net deposits from the iLottery platform. The funds collected were deposited in the State Lottery Fund (Fund 711).

We have summarized the unaudited sales and expense activity on the accrual basis of the Department below:

	September 2021
Operating Revenue	
Ticket Sales	
Instant Tickets	176,179,274
Mega Millions	11,894,131
Powerball	21,864,783
Lotto	7,789,403
Lucky Day Lotto	11,017,876
Pick 3	25,700,180
Pick 4	25,900,462
Fast Play	3,028,707
Sales Allowance	(85,786)
Total Ticket Sales	283,289,030
Other	608,081
Total Operating Revenue	283,897,111
Operating Expenses	
Cost of Sales and Services	14,895,917
Prizes and Claims Expense	
Instant Tickets	126,572,110
Mega Millions	5,168,073
Powerball	10,814,004
Lotto	4,242,638
Lucky Day Lotto	6,229,069
Pick 3	11,260,229
Pick 4	11,461,080
Fast Play	2,292,880
Total Prizes and Claims Expense	178,040,083
General and Administrative	17,187,416
Total Operating Expenses	210,123,416
Operating Income	73,773,695

Illinois Department of the Lottery
Report of Cash Receipts, Disbursements, and Transfers
For the Month Ending September 30, 2021

We have summarized the cash activity of the State Lottery Fund (Fund 711) below:

Cash Balance Carried Forward from Last Month	\$ 85.7M
Total Receipts into the Fund for this Month	140.0M
Expenditures/Transfers from the Fund for this Month*	<u><155.2M></u>
Cash Balance at the End of the Month	<u>\$ 70.5M</u>

*Cash Expenditures/Transfers this Month included:

Vouchers Paid	\$ 7.6M
Prize Payments	\$ 67.6M
Transfers to Common School Fund	\$ 80.0M

Lottery will be carrying forward a jackpot reserve balance of **\$20.1 million** into the following month for the Lotto (**\$3.2 million**), Mega Millions (**\$34.0 million**), and Powerball (**\$635.0 million**) jackpots. Additionally, the jackpot reserve includes the outstanding liability for the **\$4.4 million** Lotto winner draw date September 11th, 2021.