



March 23, 2022

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

Re: February 2022 - 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 February 28, 2022. 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
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
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 **\$46.9 million** to the Common School Fund for February proceeds which was made on February 9th and February 23rd. Thru February, the Department has transferred **\$467.7 million (60.3%)** 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 February, the special causes the Department supports earned net proceeds of **\$678 thousand**. This amount was cash transferred in March.

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 February 28, 2022

In February, the Department generated sales of **\$255.5 million** and related prize expense of **\$167.4 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 **\$103.0 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:

	February 2022
Operating Revenue	
Ticket Sales	
Instant Tickets	162,873,868
Mega Millions	6,554,294
Powerball	8,641,668
Lotto	8,333,392
Lucky Day Lotto	9,311,022
Pick 3	22,675,641
Pick 4	22,263,147
Fast Play	14,890,703
Sales Allowance	(350,008)
Total Ticket Sales	255,193,727
Other	548,922
Total Operating Revenue	255,742,649
Operating Expenses	
Cost of Sales and Services	12,901,331
Prizes and Claims Expense	
Instant Tickets	119,495,292
Mega Millions	3,124,002
Powerball	4,605,787
Lotto	4,081,930
Lucky Day Lotto	5,149,037
Pick 3	11,608,775
Pick 4	8,162,620
Fast Play	11,175,364
Total Prizes and Claims Expense	167,402,807
General and Administrative	17,161,591
Total Operating Expenses	197,465,729
Operating Income	58,276,920

Illinois Department of the Lottery
Report of Cash Receipts, Disbursements, and Transfers
For the Month Ending February 28, 2022

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

Cash Balance Carried Forward from Last Month	\$ 64.5M
Total Receipts into the Fund for this Month	103.0M
Expenditures/Transfers from the Fund for this Month*	<u><99.6M></u>
Cash Balance at the End of the Month	<u>\$ 67.9M</u>

*Cash Expenditures/Transfers this Month included:

Vouchers Paid	\$ 17.0M
Prize Payments	\$ 35.7M
Transfers to Common School Fund	\$ 46.9M

The Department will be carrying forward a jackpot reserve balance of **\$9.8 million** into the following month for the Lotto (**\$9.2 million**), Mega Millions (**\$102 million**), and Powerball (**\$73 million**) jackpots.