



February 25, 2022

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

Re: January 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 January 31, 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
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

122 South Michigan Ave.
19th Floor
Chicago, IL 60603
1-312-793-3030

101 W. Jefferson Street
Springfield, IL 62702
217-524-6435

www.illinoislottery.com

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 **\$56.5 million** to the Common School Fund for January proceeds which was made on January 12th and January 26th. Thru January, the Department has transferred **\$420.9 million (54.3%)** 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 January, the special causes the Department supports earned net proceeds of **\$535 thousand**. This amount was cash transferred in February.

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 January 31, 2022

In January, the Department generated sales of **\$293.3 million** and related prize expense of **\$190.4 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 **\$118.2 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:

	January 2022
Operating Revenue	
Ticket Sales	
Instant Tickets	177,038,065
Mega Millions	12,756,787
Powerball	20,573,671
Lotto	9,096,837
Lucky Day Lotto	9,581,622
Pick 3	24,150,648
Pick 4	24,511,753
Fast Play	15,576,412
Sales Allowance	(313,455)
Total Ticket Sales	292,972,340
Other	633,621
Total Operating Revenue	293,605,961
Operating Expenses	
Cost of Sales and Services	14,786,738
Prizes and Claims Expense	
Instant Tickets	125,926,374
Mega Millions	5,577,766
Powerball	9,518,821
Lotto	6,405,501
Lucky Day Lotto	5,235,492
Pick 3	13,054,903
Pick 4	13,014,640
Fast Play	11,673,762
Total Prizes and Claims Expense	190,407,259
General and Administrative	17,332,248
Total Operating Expenses	222,526,245
Operating Income	71,079,716

Illinois Department of the Lottery
Report of Cash Receipts, Disbursements, and Transfers
For the Month Ending January 31, 2022

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

Cash Balance Carried Forward from Last Month	\$ 65.0M
Total Receipts into the Fund for this Month	125.2M
Expenditures/Transfers from the Fund for this Month*	<u><125.7M></u>
Cash Balance at the End of the Month	<u>\$ 64.5M</u>

*Cash Expenditures/Transfers this Month included:

Vouchers Paid	\$ 17.4M
Prize Payments	\$ 51.8M
Transfers to Common School Fund	\$ 56.5M

Lottery will be carrying forward a jackpot reserve balance of **\$18.0 million** into the following month for the Lotto (**\$7.4 million**), Mega Millions (**\$20 million**), and Powerball (**\$123 million**) jackpots. Additionally, the jackpot reserve includes Illinois' share of the outstanding liability for the **\$421 million** Mega Millions winner draw date January 28th, 2022.