



November 22, 2021

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

**Re: October 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 October 31, 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 **\$75.0 million** to the Common School Fund for October proceeds which was made on October 6<sup>th</sup> and November 3<sup>rd</sup>. Thru October, the Department has transferred **\$240.0 million (31%)** 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 October, the special causes the Department supports earned net proceeds of **\$837 thousand**. This amount was cash transferred in November.

### **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. The Department processed a deposit of **\$3,748,019.16** for the estimated remaining proceeds of Fiscal Year 2021.

**Illinois Department of the Lottery**  
**Report of Revenues, Expenses, and Operating Income**  
**For the Month Ending October 31, 2021**

In October, the Department generated sales of **\$279.3 million** and related prize expense of **\$180.2 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 **\$111.3 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:

	<b>October 2021</b>
<b>Operating Revenue</b>	
<b>Ticket Sales</b>	
Instant Tickets	179,359,346
Mega Millions	8,204,038
Powerball	18,149,287
Lotto	7,904,598
Lucky Day Lotto	11,501,693
Pick 3	25,203,200
Pick 4	26,419,108
Fast Play	2,527,989
Sales Allowance	(481,550)
<b>Total Ticket Sales</b>	278,787,709
<b>Other</b>	513,208
<b>Total Operating Revenue</b>	279,300,917
<b>Operating Expenses</b>	
<b>Cost of Sales and Services</b>	14,857,278
<b>Prizes and Claims Expense</b>	
Instant Tickets	126,157,407
Mega Millions	3,924,480
Powerball	8,240,202
Lotto	3,009,134
Lucky Day Lotto	5,937,645
Pick 3	14,900,348
Pick 4	16,227,910
Fast Play	1,849,088
<b>Total Prizes and Claims Expense</b>	180,246,214
<b>General and Administrative</b>	17,313,048
<b>Total Operating Expenses</b>	212,416,540
<b>Operating Income</b>	66,884,377

**Illinois Department of the Lottery**  
**Report of Cash Receipts, Disbursements, and Transfers**  
**For the Month Ending October 31, 2021**

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

Cash Balance Carried Forward from Last Month	\$ 70.5M
Total Receipts into the Fund for this Month	111.4M
Expenditures/Transfers from the Fund for this Month*	<u>&lt;106.5M&gt;</u>
Cash Balance at the End of the Month	<u>\$ 75.4M</u>

\*Cash Expenditures/Transfers this Month included:

Vouchers Paid	\$ 17.3M
Prize Payments	\$ 50.5M
Transfers to Common School Fund	\$ 35.0M
Transfers to Capital Projects Fund	\$ 3.7M

Lottery will be carrying forward a jackpot reserve balance of **\$9.5 million** into the following month for the Lotto (**\$5.15 million**), Mega Millions (**\$26.0 million**), and Powerball (**\$123.0 million**) jackpots. Additionally, the jackpot reserve includes the outstanding liability for Illinois' share of the **\$108 million** Mega Millions winner draw date October 22<sup>nd</sup>, 2021.