



October 27, 2023

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

Re: September 2023 - 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, 2023. 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 Amber Chappell, Interim Chief Financial Officer of the Lottery, at (217) 524-0008.

Sincerely,

Harold Mays
Director, Illinois Lottery

cc: The Honorable Don Harmon
The Honorable Emanuel C. Welch
The Honorable Dan McConchie
The Honorable Tony McCombie
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

In accordance with 20 ILCS 1605/9.3, the Illinois Department of the Lottery (Department) is statutorily mandated to transfer estimated net proceeds to the Common School Fund (CSF) on a monthly basis. The transfer shall be made on the last day of each month or shortly thereafter. The estimated proceeds transferred monthly are to be reconciled to actual proceeds upon completion of the applicable annual fiscal year audit. If actual net proceeds are more than estimated net proceeds, the remaining amount shall be deposited in the CSF. If actual net proceeds are less than estimated net proceeds, the excess amount shall offset estimated net lottery proceeds the following fiscal year. The net lottery proceeds shall be determined after deducting prizes, retailer bonuses, costs incurred in the operation and administration of the Lottery, and transfers to specialty causes. Additionally, they shall be determined in accordance with Generally Accepted Accounting Principles (GAAP) for governmental entities.

The CSF estimated net proceed transfers made in September 2023 totaled **\$80.0 million** and were made on September 6th and September 20th.

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 2024. 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 September, the special causes the Department supports earned net proceeds of **\$791 thousand**. This amount was cash transferred in October.

Illinois Department of the Lottery
Report of Revenues, Expenses, and Operating Income
For the Month Ending September 30, 2023

In September, the Department generated sales of **\$298.3 million** and related prize expense of **\$196.6 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 **\$119.2 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.

	September 2023
Operating Revenue	
Ticket Sales	
Instant Tickets	163,875,568
Mega Millions	9,855,848
Powerball	26,345,198
Lotto	10,791,082
Lucky Day Lotto	10,174,712
Pick 3	22,824,863
Pick 4	22,259,338
Fast Play	32,158,193
Sales Allowance	(11,912)
Sales Adjustments	(15,196)
Total Ticket Sales	298,257,694
Other	369,704
Total Operating Revenue	298,627,398
Operating Expenses	
Cost of Sales and Services	13,804,263
Prizes and Claims Expense	
Instant Tickets	122,747,200
Mega Millions	4,407,966
Powerball	12,640,162
Lotto	5,854,609
Lucky Day Lotto	6,062,200
Pick 3	10,174,520
Pick 4	8,802,810
Fast Play	25,947,137
Total Prizes and Claims Expense	196,636,604
General and Administrative	15,335,884
Total Operating Expenses	225,776,751
Operating Income	72,850,647

Illinois Department of the Lottery
Report of Cash Receipts, Disbursements, and Transfers
For the Month Ending September 30, 2023

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

Cash Balance Carried Forward from Last Month	\$ 126.0M
Total Receipts into the Fund for this Month	119.2M
Expenditures/Transfers from the Fund for this Month*	<u><135.2M></u>
Cash Balance at the End of the Month	<u>\$ 110.0M</u>

*Cash Expenditures/Transfers this Month included:

Vouchers Paid	\$ 19.2M
Prize Payments	\$ 36.0M
Transfers to Common School Fund	\$ 80.0M

The Department will be carrying forward a jackpot reserve balance of **\$36.3 million** into the following month for the Lotto (**\$2.6 million**), Mega Millions (**\$300 million**), and Powerball (**\$1.04 million**) jackpots. Additionally, the jackpot reserve includes the outstanding liability for the **\$23.75 million** Lotto winner draw date September 21st, 2023.