



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: July 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 July 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**.

In July, the Department cash transferred **\$45.1 million** to the Common School Fund. This amount finalized Fiscal Year 2021 transfers. The Department met and transferred the prescribed amount of **\$762.5 million** during Fiscal Year 2021.

On August 4th, July proceeds were transferred in the amount of **\$50.0 million**.

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 August.

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 July 31, 2021

In July, the Department generated sales of **\$293.7 million** and related prize expense of **\$188.7 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 **\$108.7 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:

	July 2021
Operating Revenue	
Ticket Sales	
Instant Tickets	191,890,463
Mega Millions	8,635,995
Powerball	9,016,602
Lotto	9,958,958
Lucky Day Lotto	10,432,821
Pick 3	30,194,747
Pick 4	30,328,369
Fast Play	3,271,949
Sales Allowance	230,276
Total Ticket Sales	293,960,180
Other	527,825
Total Operating Revenue	294,488,005
Operating Expenses	
Cost of Sales and Services	15,639,771
Prizes and Claims Expense	
Instant Tickets	135,362,256
Mega Millions	3,731,830
Powerball	4,431,761
Lotto	4,751,770
Lucky Day Lotto	6,647,424
Pick 3	14,085,710
Pick 4	17,205,900
Fast Play	2,455,067
Total Prizes and Claims Expense	188,671,718
General and Administrative	18,106,802
Total Operating Expenses	222,418,291
Operating Income	72,069,714

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

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

Cash Balance Carried Forward from Last Month	\$ 92.8M
Total Receipts into the Fund for this Month	\$ 109.9M
Expenditures/Transfers from the Fund for this Month*	<u>\$ <61.3M></u>
Cash Balance at the End of the Month	<u>\$ 141.4M</u>

*Cash Expenditures/Transfers this Month included:

Vouchers Paid	\$ 2.0M
Prize Payments	\$ 13.9M
Transfers to Common School Fund	\$ 45.1M
Other Statutory Transfers	\$ 0.3M

Lottery will be carrying forward a jackpot reserve balance of **\$54.7 million** into the following month for the Lotto (**\$2.45 million**), Mega Millions (**\$179.0 million**), and Powerball (**\$211.0 million**) jackpots. Additionally, the jackpot reserve includes the total outstanding liability of the multi-state consortium for the **\$56 million** Illinois Mega Millions winner draw date June 8th, 2021. As well as, the **\$8.9 million** Lotto winner draw date July 24th, 2021.