



February 5, 2015

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

Re: January 2015 - Monthly Report of 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, please find attached the Report of Revenues, Prize Disbursements and Other Expenses for the Illinois Department of the Lottery for the Month Ending January 31, 2015. 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 Brett A. Finley, Finance Manager of the Lottery, at (217) 558-4817.

Sincerely,

Michael J. Jones
Director, Illinois Lottery

cc: The Honorable John J. Cullerton
The Honorable Michael J. Madigan
The Honorable Christine Radogno
The Honorable Jim Durkin
Members of the Illinois Lottery Control Board

Bruce Rauner
Governor

Michael Jones
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 requests the Illinois Office of the Comptroller to make weekly transfers to the Common School Fund. Each Wednesday, following the sweeps from the lottery retailers accounts, funds are transferred from the State Lottery Fund to the Common School Fund.

The amount of the weekly transfer is based on the FY'09 actual weekly transfers adjusted for inflation. The rate of inflation used in calculating transfers to the Common School Fund is defined in administrative rules.

If the cash available in the State Lottery fund does not support the planned weekly transfer amount, transfer is made at amount affordable and shortfall made up in future weekly transfers as funds become available.

In January, the Department made 4 weekly transfers of \$12,376,750, for a monthly total of \$49,507,000 to the Common School Fund. At the end of January, the cash balance in the State Lottery Fund was \$99.8M. From this amount, \$29.8M of liability associated with the rolling jackpots for Mega Millions, Powerball and Lotto. The amount left after accounting for these reserves was \$70.0M. This amount stays in the fund and at the end of the year will be part of the annual transfer to the Capital Projects Fund. Please note: There may be expenses incurred and not paid that will reduce the \$70.0M.

Transfer to the Capital Projects Fund

The Illinois Department of the Lottery requests the Illinois Office of the Comptroller to make one annual transfer to the Capital Projects Fund. On or before June 30 of the fiscal year, the Department estimates the net income available after transfers to Common School Fund and specialty ticket funds.

The transfer is made from the State Lottery Fund to the Capital Projects Fund through a non-appropriated line item.

**Report of Revenues, Prize Disbursements and Other Expenses for the
Illinois Department of the Lottery
For the Month Ending January 31, 2015**

The weekly sweeps of Lottery retailers netted \$ 98,480,484.54 in gross revenues to the State Lottery Fund during the month of January 2015.

The FY'15 transfers to the Common School Fund for the month of January were \$49,507,000 (including \$13,115,020, the scheduled transfer for December 31, 2014 which had not yet been recorded by the Comptroller). The Lottery is on target with all of its total scheduled transfers to the CSF in FY'15.

Cash Balance Carried Forward From Last Month	\$ 68.6M
Total Receipts into the Fund for this Month	\$ 121.7M
Expenditures/Transfers from the Fund for this Month	<u>\$ <90.5M></u>
Cash Balance at the End of the Month	<u>\$ 99.8M</u>

Expenditures/Transfers this Month included:

Vouchers Paid this Month	\$ 2.0M
Prizes Paid this Month	\$ 25.9M
Transfers to CSF	\$ 62.6M

We will be carrying forward a jackpot reserve balance of \$29.8M into the following month for the Lotto (\$3.00M), Mega Millions (\$40.00M), and Powerball (\$317.00M) jackpots and outstanding Mega Millions and Lotto winners (\$18.7M).

The scheduled transfers for February 2015:

Week 02/04/15	Week #32	\$ 10,259,675
Week 02/11/15	Week #33	\$ 10,259,675
Week 02/18/15	Week #34	\$ 10,259,675
Week 02/18/15	Week #35	<u>\$ 10,259,675</u>
Monthly Total		<u>\$ 41,038,700</u>