



October 7, 2016

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

**Re: September 2016 - 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 (Lottery) for the Month Ending September 30, 2016. 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 Mark Lewis, CFO of the Lottery, at (217) 558-4817.

Sincerely,

Tim McDevitt  
Acting 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

**Tim McDevitt**  
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 mandated to make a monthly transfer to the Common School Fund on the last day of each month or shortly thereafter. Currently, 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 transferred during any given month is based on the FY'09 actual monthly transfer for the respective month adjusted for inflation. The monthly amount is then broken down to weekly transfer amounts. 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, a transfer is made at an amount affordable and any shortfall is to be made up in future weekly transfers as funds become available.

In September, the Department made 4 weekly transfers of \$14,761,675 for a monthly total of \$59,046,700 to the Common School Fund. At the end of September, the cash balance in the State Lottery Fund was \$109.8M.

### **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 June 30 of the fiscal year, the Department estimates the net income available after transfers to Common School Fund and specialty ticket funds.

The payment 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 September 30, 2016**

The weekly sweeps of Lottery retailers generated \$90,818,393.08 in adjusted gross revenues to the State Lottery Fund during the month of September 2016.

The FY'17 transfers to the Common School Fund for the month of August were \$66,927,120 (including \$7,880,420, the scheduled transfer for August 31, 2016 that was recorded by the Comptroller in September). To date, the Lottery has met its statutory scheduled transfers to the CSF in FY'17.

|                                                     |                          |
|-----------------------------------------------------|--------------------------|
| Cash Balance Carried Forward From Last Month        | \$ 111.9M                |
| Total Receipts into the Fund for this Month         | \$ 112.5M                |
| Expenditures/Transfers from the Fund for this Month | <u>\$ &lt;114.6M&gt;</u> |
| Cash Balance at the End of the Month                | <u>\$ 109.8M</u>         |

Expenditures/Transfers this Month included:

|                                         |          |
|-----------------------------------------|----------|
| Vouchers Paid this Month                | \$ 1.9M  |
| Transfers out of 711 for Prize Payments | \$ 45.8M |
| Transfers to CSF                        | \$ 66.9M |

Lottery will be carrying forward a jackpot reserve balance of \$16.8M into the following month for the Lotto (\$8.0M), Mega Millions (\$30.0M), and Powerball (\$70.0M) jackpots, including reserving the funds (\$3.8M – Illinois cash portion) for the Illinois' grand prize funding for the September 16, 2016 \$133M Mega Millions winner.

The mandatory transfers for October 2016:

|               |          |                      |
|---------------|----------|----------------------|
| Week 10/05/16 | Week #14 | \$ 15,439,075        |
| Week 10/12/16 | Week #15 | \$ 15,439,075        |
| Week 10/19/16 | Week #16 | \$ 15,439,075        |
| Week 10/26/16 | Week #17 | <u>\$ 15,439,075</u> |
| Monthly Total |          | <u>\$ 61,756,300</u> |