



March 18, 2021

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

Re: January 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 (Lottery) for the Month Ending January 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 make a monthly transfer to the Common School Fund on the last day of each month or shortly thereafter. In order to support the expedient transfer and use of Lottery funding, the Lottery requests the Illinois Office of the Comptroller to make transfers to the Common School Fund twice a month. The first transfer is made mid-month with the second transfer following shortly after month-end.

The amount transferred during any given month is based on the FY'09 actual monthly transfer for the respective month adjusted for inflation. The rate of inflation used in calculating transfers to the Common School Fund is defined in administrative rules.

If the net profit in any given month from activity of the State Lottery Fund does not support the prescribed monthly transfer amount, a transfer is made at an amount to not exceed available profit and any shortfall is to be made up in future monthly transfers as net profit allows.

In January, the Department transferred **\$65.0 million** to the Common School Fund. At the end of January, the cash balance in the State Lottery Fund was **\$77.4 million**.

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. After transferring proceeds in priority order with the Illinois Lottery Law (20 ILCS 1605/9.1(o)), there were no remaining proceeds to be deposited in the Capital Projects Fund for Fiscal Year 2020.

**Report of Revenues, Prize Disbursements and Other Expenses for the
Illinois Department of the Lottery
For the Month Ending January 31, 2021**

In January, the Department generated sales of **\$380.2 million** and incurred a related prize expense of **\$240.9 million**, resulting in cash collections of **\$175.5 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 during the month of January 2021.

Cash transfers to the Common School Fund during January were **\$65.0 million, which consisted of \$30 million in operating income available to transfer from December**. The Department made additional transfers in February to the Common School Fund in the amount of **\$45.0 million for January proceeds**. The Department has transferred a total of **\$411.9 million** in FY21 proceeds to the Common School Fund.

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

Cash Balance Carried Forward from Last Month	\$ 50.3M
Total Receipts into the Fund for this Month	\$ 175.5M
Expenditures/Transfers from the Fund for this Month*	<u>\$ <148.4M></u>
Cash Balance at the End of the Month	<u>\$ 77.4M</u>

*Cash Expenditures/Transfers this Month included:

Vouchers Paid	\$ 16.0M
Prize Payments	\$ 67.4M
Transfers to Common School Fund	\$ 65.0M

Lottery will be carrying forward a jackpot reserve balance of **\$6.8 million** into the following month for the Lotto (**\$5.0 million**), Mega Millions (**\$42.0 million**), and Powerball (**\$20.0 million**) jackpots. Additionally, the jackpot reserve includes the outstanding liability for the Lotto winners draw date December 14th (**\$2.0 million**) and Powerball winner draw date January 30th (**Illinois' Share \$806 thousand**).