



April 1, 2024

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

Re: February 2024 - 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 February 29, 2024. 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, 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 John Curran
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 February 2024 totaled **\$65.0 million** and were made on February 7th and February 21st.

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 February, the special causes the Department supports earned net proceeds of **\$948 thousand**. This amount was cash transferred in March.

Illinois Department of the Lottery
Report of Revenues, Expenses, and Operating Income
For the Month Ending February 29, 2024

In February, the Department generated sales of **\$310.4 million** and related prize expense of **\$209.4 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 **\$119.9 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.

	February 2024
Operating Revenue	
Ticket Sales	
Instant Tickets	183,342,520
Mega Millions	12,232,133
Powerball	11,339,565
Lotto	7,202,342
Lucky Day Lotto	12,613,255
Pick 3	21,938,644
Pick 4	21,879,001
Fast Play	39,866,519
Sales Allowance	(1,117)
Sales Adjustments	(20,974)
Total Ticket Sales	310,391,888
Other	357,928
Total Operating Revenue	310,749,816
Operating Expenses	
Cost of Sales and Services	14,601,775
Prizes and Claims Expense	
Instant Tickets	135,605,282
Mega Millions	6,223,688
Powerball	5,317,311
Lotto	4,020,287
Lucky Day Lotto	5,742,943
Pick 3	9,896,345
Pick 4	10,693,400
Fast Play	31,879,697
Total Prizes and Claims Expense	209,378,953
General and Administrative	16,850,564
Total Operating Expenses	240,831,292
Operating Income	69,918,524

Illinois Department of the Lottery
Report of Cash Receipts, Disbursements, and Transfers
For the Month Ending February 29, 2024

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

Cash Balance Carried Forward from Last Month	\$ 74.9M
Total Receipts into the Fund for this Month	142.6M
Expenditures/Transfers from the Fund for this Month*	<u><114.8M></u>
Cash Balance at the End of the Month	<u>\$ 102.7M</u>

*Cash Expenditures/Transfers this Month included:

Vouchers Paid	\$ 19.4M
Prize Payments	\$ 30.4M
Transfers to Common School Fund	\$ 65.0M

The Department will be carrying forward a jackpot reserve balance of **\$25.5 million** into the following month for the Lotto (**\$3.8 million**), Mega Millions (**\$607 million**), and Powerball (**\$443 million**) jackpots. Additionally, the jackpot reserve includes the outstanding liability for the **\$10.4 million** Lotto winner draw date February 1st, 2024.